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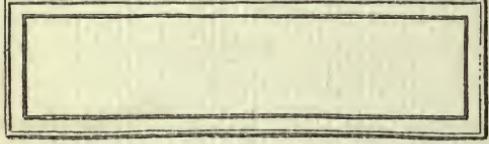
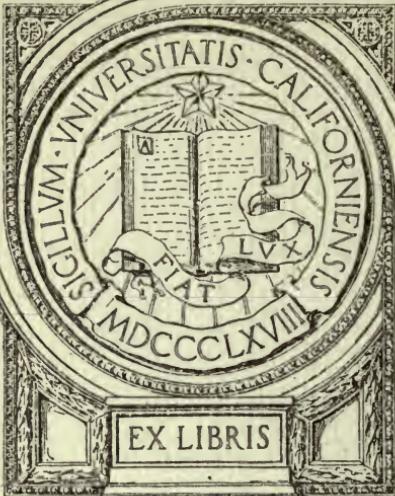
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THE Industrial Council Plan in Great Britain

Reprints of the Report of the
WHITLEY COMMITTEE
on Relations between Em-
ployers and Employed
of the Ministry of
Reconstruction
and of Related
Documents.



COMPILED BY

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A. INTRODUCTION

ONE of the great tests of our democracy in the years immediately ahead of us will be the ability of American employers and wage-workers to find a basis of democratic cooperation in the government of industry. Unless industry can be constitutionalized on a democratic basic, there is serious danger of a steady intensification of the class conflict culminating in some form of revolution. Americans who are anxious that America should be spared the tragic wastes of revolution will be keenly interested in every practical proposal looking toward a reasoned and orderly progress toward industrial democracy. Such a proposal is offered in the plan for the establishment of Industrial Councils, through which the British Government is seeking to promote effective cooperation between the organized employers and workers of England in the conviction that representative government in industry is the best guarantee against the extreme developments of uncompromising class war.

According to most recent advices the English Ministry of Labour has already been successful in setting up National Councils in fifteen industries, including pottery, building, rubber, gold and silver trades, matches, silk, furniture, chemical trade, baking, vehicle building, china clay, hosiery, paint and varnish, and leather goods; and organization is under way in at least half a dozen more. In other words, the documents here brought together relate to a going and active movement, one whose extension and development is assured.

The Bureau of Industrial Research has brought together and is now reprinting all the available documents relating to the Industrial Council plan and its developments in Great Britain in the hope that they may prove of service to American employers and trade unionists who are interested in the progressive development of democracy in industry.



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B. I. LETTER FROM MINISTER OF LABOUR TO EMPLOYERS' ASSOCIATIONS AND TRADE UNIONS.

MINISTRY OF LABOUR, MONTAGU HOUSE,
WHITEHALL, S.W. 1, 20th October, 1917.

Sir—In July last a circular letter was addressed by the Ministry of Labour to all the principal Employers' Associations and Trade Unions asking for their views on the proposals made in the Report of the Whitley Committee on Joint Standing Industrial Councils, a further copy of which is enclosed. As a result of the replies which have been received from a large number of Employers' organisations and Trade Unions generally favouring the adoption of those proposals, the War Cabinet have decided to adopt the Report as part of the policy which they hope to see carried into effect in the field of industrial reconstruction.

In order that the precise effect of this decision may not be misunderstood, I desire to draw attention to one or two points which have been raised in the communications made to the Ministry on the subject, and on which some misapprehension appears to exist in some quarters.

In the first place, fears have been expressed that the proposal to set up Industrial Councils indicates an intention to introduce an element of State interference which has hitherto not existed in industry. This is not the case. The formation and constitution of the Councils must be principally the work of the industries themselves. Although, for reasons which will be explained later, the Government are very anxious that such Councils should be established in all the well-organised industries with as little delay as possible, they fully realise that the success of the scheme must depend upon a general agreement among the various organisations within a given industry and a clearly expressed demand for the creation of a Council. Moreover,

when formed, the Councils would be independent bodies electing their own officers and free to determine their own functions and procedure with reference to the peculiar needs of each trade. In fact, they would be autonomous bodies, and they would, in effect, make possible a larger degree of self-government in industry than exists to-day.

Secondly, the Report has been interpreted as meaning that the general constitution which it suggests should be applied without modification to each industry. This is entirely contrary to the view of the Government on the matter. To anyone with a knowledge of the diverse kinds of machinery already in operation, and the varying geographical and industrial conditions which affect different industries it will be obvious that no rigid scheme can be applied to all of them. Each industry must therefore adapt the proposals made in the Report as may seem most suitable to its own needs. In some industries, for instance, it may be considered by both employers and employed that a system of Works Committees is unnecessary owing to the perfection of the arrangements already in operation for dealing with the difficulties arising in particular works between the management and the trade union officials. In others Works Committees have done very valuable work where they have been introduced and their extension on agreed lines deserves every encouragement. Again, in industries which are largely based on district organisations it will probably be found desirable to assign more important functions to the District Councils than would be the case in trades which are more completely centralised in national bodies. All these questions will have to be threshed out by the industries themselves and settled in harmony with their particular needs.

Thirdly, it should be made clear that representation on the Industrial Councils is intended to be on the basis of existing organisations among employers and workmen concerned in each industry, although it will, of course, be open to the Councils, when formed, to grant representation to any new

bodies which may come into existence and which may be entitled to representation. The authority, and consequently the usefulness of the Councils will depend entirely on the extent to which they represent the different interests and enjoy the whole-hearted support of the existing organisations, and it is therefore desirable that representation should be determined on as broad a basis as possible.

Lastly, it has been suggested that the scheme is intended to promote compulsory arbitration. This is certainly not the case. Whatever agreements may be made for dealing with disputes must be left to the industry itself to frame, and their efficacy must depend upon the voluntary co-operation of the organisations concerned in carrying them out.

I should now like to explain some of the reasons which have made the Government anxious to see Industrial Councils established as soon as possible in the organised trades. The experience of the war has shown the need for frequent consultation between the Government and the chosen representatives of both employers and workmen on vital questions concerning those industries which have been most affected by war conditions. In some instances different Government Departments have approached different organisations in the same industry, and in many cases the absence of joint representative bodies which can speak for their industries as a whole and voice the joint opinion of employers and workmen, has been found to render negotiations much more difficult than they would otherwise have been. The case of the cotton trade, where the industry is being regulated during a very difficult time by a Joint Board of Control, indicates how greatly the task of the State can be alleviated by a self-governing body capable of taking charge of the interests of the whole industry. The problems of the period of transition and reconstruction will not be less difficult than those which the war has created, and the Government accordingly feel that the task of rebuilding the social and economic fabric on a broader and surer foundation will be rendered much easier if in the organised trades

there exist representative bodies to which the various questions of difficulty can be referred for consideration and advice as they arise. There are a number of such questions on which the Government will need the united and considered opinion of each large industry, such as the demobilisation of the Forces, the re-settlement of munition workers in civil industries, apprenticeship (especially where interrupted by war service), the training and employment of disabled soldiers, and the control of raw materials; and the more it is able to avail itself of such an opinion the more satisfactory and stable the solution of these questions is likely to be.

Further, it will be necessary in the national interest to ensure a settlement of the more permanent questions which have caused differences between employers and employed in the past, on such a basis as to prevent the occurrence of disputes and of serious stoppages in the difficult period during which the problems just referred to will have to be solved. It is felt that this object can only be secured by the existence of permanent bodies on the lines suggested by the Whitley Report, which will be capable not merely of dealing with disputes when they arise, but of settling the big questions at issue so far as possible on such a basis as to prevent serious conflicts arising at all.

The above statement of the functions of the Councils is not intended to be exhaustive, but only to indicate some of the more immediate questions which they will be called upon to deal with when set up. Their general objects are described in the words of the Report as being "to offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry." Some further specific questions, which the Councils might consider, were indicated by the Committee in paragraph 16 of the Report, and it will be for the Councils themselves to determine what matters they shall deal with. Further, such Councils would obviously be the suitable bodies

to make representations to the Government as to legislation, which they think would be of advantage to their industry.

In order, therefore, that the Councils may be able to fulfil the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desire it to be understood that the Councils will be recognised as the official standing Consultative Committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that Industrial Councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to co-operate in order to make that part a worthy one.

I hope, therefore, that you will take this letter as a formal request to your organisation on the part of the Government to consider the question of carrying out the recommendations of the Report so far as they are applicable to your industry. The Ministry of Labour will be willing to give every assistance in its power in the establishment of Industrial Councils, and will be glad to receive suggestions as to the way in which it can be given most effectively. In particular, it will be ready to assist in the convening of representative conferences to discuss the establishment of Councils, to provide secretarial assistance and to be represented, if desired, in a consultative capacity at the preliminary meetings. The Ministry will be glad to be kept informed of any progress made in the direction of forming Councils. Although the scheme is only intended, and indeed can only be applied, in trades which are well organised on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organisation to bring it about if they desire to apply it to themselves.

In conclusion, I would again emphasise the pressing need for the representative organisations of employers and work-

people to come together in the organised trades and to prepare themselves for the problems of reconstruction by forming Councils competent to deal with them. The Government trust that they will approach these problems not as two opposing forces each bent on getting as much and giving as little as can be contrived, but as forces having a common interest in working together for the welfare of their industry, not merely for the sake of those concerned in it, but also for the sake of the nation which depends so largely on its industries for its well-being. If the spirit which has enabled all classes to overcome by willing co-operation the innumerable dangers and difficulties which have beset us during the war is applied to the problems of Reconstruction, I am convinced that they can be solved in a way which will lay the foundation of the future prosperity of the country and of those engaged in its great industries.

I am, Sir,

Your obedient servant,

GEO. H. ROBERTS.

B. II. FIRST (INTERIM) REPORT ON JOINT STANDING INDUSTRIAL COUNCILS, WITH APPENDIX.

The Committee consisted of the following members:—

THE RIGHT HON. J. H. WHITLEY, M.P., *Chairman*. (Chairman of Committees, House of Commons.)

Mr. F. S. BUTTON (formerly Member of Executive Council, Amalgamated Society of Engineers).

Sir G. J. CARTER, K.B.E. (Chairman, Shipbuilding Employers' Federation).

Professor S. J. CHAPMAN, C.B.E. (Professor of Political Economy, University of Manchester).

Sir GILBERT CLAUGHTON, Bart. (Chairman, London and North Western Railway Company).

Mr. J. R. CLYNES, M.P. (President, National Union of General Workers).

Mr. J. A. HOBSON.

Miss SUSAN LAWRENCE (Member of London County Council and Member of the Executive Committee of the Women's Trade Union League).

Mr. J. J. MALLON (Secretary, National Anti-Sweating League).

Sir THOMAS A. RATCLIFFE-ELLIS (Secretary, Mining Association of Great Britain).

Mr. ROBERT SMILLIE (President, Miners' Federation of Great Britain).

Mr. ALLAN M. SMITH (Chairman, Engineering Employers' Federation).

Miss MONA WILSON (National Health Insurance Commissioner).

Mr. H. J. WILSON, Ministry of Labour,
Mr. ARTHUR GREENWOOD,

Secretaries.

To the Right Honourable D. LLOYD GEORGE, M.P., Prime Minister.

SIR,

WE have the honour to submit the following Interim Report on Joint Standing Industrial Councils.

2. The terms of reference to the Sub-Committee are:—

“(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

“(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.”

3. After a general consideration of our duties in relation to the matters referred to us, we decided first to address ourselves to the problem of establishing permanently improved relations between employers and employed in the main industries of the country, in which there exist representative organisations on both sides. The present report accordingly deals more especially with these trades. We are proceeding with the consideration of the problems connected with the industries which are less well organised.

4. We appreciate that under the pressure of the war both employers and workpeople and their organisations are very much pre-occupied, but, notwithstanding, we believe it to be of the highest importance that our proposals should be put before those concerned without delay, so that employers and employed may meet in the near future and discuss the problems before them.

5. The circumstances of the present time are admitted on all sides to offer a great opportunity for securing a permanent improvement in the relations between employers and employed, while failure to utilize the opportunity may involve

the nation in grave industrial difficulties at the end of the war.

It is generally allowed that the war almost enforced some reconstruction of industry, and in considering the subjects referred to us we have kept in view the need for securing in the development of reconstruction the largest possible measure of co-operation between employers and employed.

In the interests of the community it is vital that after the war the co-operation of all classes, established during the war, should continue, and more especially with regard to the relations between employers and employed. For securing improvement in the latter, it is essential that any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry.

To this end, the establishment for each industry of an organisation, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary.

6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may affect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowledge is to be found only among those directly connected with the trade.

7. With a view to providing means for carrying out the policy outlined above, we recommend that His Majesty's Government should propose without delay to the various associa-

tions of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labour engaged.

8. The appointment of a Chairman or Chairmen should, we think, be left to the Council who may decide that these should be—

- (1) A Chairman for each side of the Council;
- (2) A Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council);
- (3) A Chairman chosen by the Council from independent persons outside the industry; or
- (4) A Chairman nominated by such person or authority as the Council may determine or, failing agreement, by the Government.

9. The Council should meet at regular and frequent intervals.

10. The objects to which the consideration of the Councils should be directed should be appropriate matters affecting the several industries and particularly the establishment of a closer co-operation between employers and employed. Questions connected with demobilisation will call for early attention.

11. One of the chief factors in the problem, as it at first presents itself, consists of the guarantees given by the Government, with Parliamentary sanction, and the various undertakings entered into by employers, to restore the Trade Union rules and customs suspended during the war. While this does not mean that all the lessons learnt during the war should be ignored, it does mean that the definite co-operation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that, if new arrangements are to be reached, in themselves

more satisfactory to all parties but not in strict accordance with the guarantees, they must be the joint work of employers and employed.

12. The matters to be considered by the Councils must inevitably differ widely from industry to industry, as different circumstances and conditions call for different treatment, but we are of opinion that the suggestions set forth below ought to be taken into account, subject to such modification in each case as may serve to adapt them to the needs of the various industries.

13. In the well-organised industries, one of the first questions to be considered should be the establishment of local and works organisations to supplement and make more effective the work of the central bodies. It is not enough to secure co-operation at the centre between the national organisations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The National Industrial Council should not be regarded as complete in itself; what is needed is a triple organisation—in the workshops, the districts, and nationally. Moreover, it is essential that the organisation at each of these three stages should proceed on a common principle, and that the greatest measure of common action between them should be secured.

14. With this end in view, we are of opinion that the following proposals should be laid before the National Industrial Councils:—

- (a) That District Councils, representative of the Trade Unions and of the Employers' Association in the industry, should be created, or developed out of the existing machinery for negotiation in the various trades.
- (b) That Works Committees, representative of the management and of the workers employed, should be instituted in particular works to act in close co-operation with the district and national machinery.

As it is of the highest importance that the scheme making provision for these Committees should be such as to secure the support of the Trade Unions and Employers' Associations concerned, its design should be a matter for agreement between these organisations.

Just as regular meetings and continuity of co-operation are essential in the case of the National Industrial Councils, so they seem to be necessary in the case of the district and works organisations. The object is to secure co-operation by granting to workpeople a greater share in the consideration of matters affecting their industry, and this can only be achieved by keeping employers and workpeople in constant touch.

15. The respective functions of Works Committees, District Councils, and National Councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions, in order to avoid overlapping and resulting friction. For instance, where conditions of employment are determined by national agreements, the District Councils or Works Committees should not be allowed to contract out of conditions so laid down, nor, where conditions are determined by local agreements should such power be allowed to Works Committees.

16. Among the questions with which it is suggested that the National Councils should deal or allocate to District Councils or Works Committees the following may be selected for special mention:

(i) The better utilisation of the practical knowledge and experience of the workpeople.

(ii) Means for securing to the workpeople a greater share in and responsibility for the determination and observation of the conditions under which their work is carried on.

(iii) The settlement of the general principles governing the conditions of employment, including the

methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(iv) The establishment of regular methods of negotiating for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear.

(v) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(vi) Methods of fixing and adjusting earnings, piecework prices, &c., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph iii.

(vii) Technical education and training.

(viii) Industrial research and the full utilisation of its results.

(ix) The provision of facilities for the full consideration and utilisation of inventions and improvement designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(x) Improvements of processes, machinery and organisation and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(xi) Proposed legislation affecting the industry.

17. The methods by which the functions of the proposed Councils should be correlated to those of joint bodies in the different districts, and in the various works within the districts, must necessarily vary according to the trade. It may, therefore, be the best policy to leave it to the trades themselves to formulate schemes suitable to their special circumstances, it be-

ing understood that it is essential to secure in each industry the fullest measure of co-operation between employers and employed, both generally, through the National Councils, and specifically, through district Committees and workshop Committees:

18. It would seem advisable that the Government should put the proposals relating to National Industrial Councils before the employers' and workpeople's associations and request them to adopt such measures as are needful for their establishment where they do not already exist. Suitable steps should also be taken, at the proper time, to put the matter before the general public.

19. In forwarding the proposals to the parties concerned, we think the Government should offer to be represented in an advisory capacity at the preliminary meetings of a Council, if the parties so desire. We are also of opinion that the Government should undertake to supply to the various Councils such information on industrial subjects as may be available and likely to prove of value.

20. It has been suggested that means must be devised to safeguard the interests of the community against possible action of an anti-social character on the part of the Councils. We have, however, here assumed that the Councils, in their work of promoting the interests of their own industries, will have regard for the National interest. If they fulfil their functions they will be the best builders of national prosperity. The State never parts with its inherent over-riding power, but such power may be least needed when least obtruded.

21. It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves.

22. The plans sketched in the foregoing paragraphs are applicable in the form in which they are given only to industries in which there are responsible associations of employers

and workpeople which can claim to be fairly representative. The case of the less well-organised trades or sections of a trade necessarily needs further consideration. We hope to be in a position shortly to put forward recommendations that will prepare the way for the active utilisation in these trades of the same practical co-operation as is foreshadowed in the proposals made above for the more highly-organised trades.

23. It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both employers and workpeople. The proposals outlined for joint co-operation throughout the several industries depend for their ultimate success upon their being such organisation on both sides; and such organisation is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. We have thought it well to refrain from making suggestions or offering opinions with regard to such matters as profit-sharing, co-partnership, or particular systems of wages, &c. It would be impracticable for us to make any useful general recommendations on such matters, having regard to the varying conditions in different trades. We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected.

25. The schemes recommended in this Report are intended not merely for the treatment of industrial problems when they have become acute, but also, and more especially, to prevent their becoming acute. We believe that regular meetings to discuss industrial questions, apart from and prior to any differences with regard to them that may have begun to cause

friction, will materially reduce the number of occasions on which, in the view of either employers or employed, it is necessary to contemplate recourse to a stoppage of work.

26. We venture to hope that representative men in each industry, with pride in their calling and care for its place as contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way.

We have the honour to be, Sir,

Your obedient servants,

J. H. WHITLEY, *Chairman*,

and Committee.

8th March, 1917.

APPENDIX.

The following questions were addressed by the Reconstruction Committee to the Sub-Committee on the Relations between Employers and Employed in order to make clear certain points which appeared to call for further elucidation. The answers given are subjoined:

Q. 1. In what classes of Industries does the Interim Report propose that Industrial Councils shall be established? What basis of classification has the Sub-Committee in view?

A. 1. It has been suggested that, for the purpose of considering the establishment of Industrial Councils, or other bodies designed to assist in the improvement of relations between employers and employed, the various industries should be grouped into three classes—(a) industries in which organisation on the part of employers and employed is sufficiently developed to render the Councils representative; (b) industries in which either as regards employers and employed, or both, the degree of organisation, though considerable, is less marked than in (a) and is insufficient to be regarded as representative; and (c) industries in which organisation is so imperfect, either as regards employers or employed, or both, that no Associations can be said adequately to represent those engaged in the trade.

It will be clear that an analysis of industries will show a number which are on the border lines between these groups, and special consideration will have to be given to such trades. So far as groups (a) and (c) are concerned, a fairly large number of trades can readily be assigned to them; group (b) is necessarily more indeterminate.

For trades in group (a) the Committee have proposed the establishment of Joint Standing Industrial Councils in the several trades. In dealing with the various industries it may be necessary to consider specially the case of parts of industries in group (a) where organisation is not fully developed.

Q. 2. Is the machinery proposed intended to be in addition to or in substitution for existing machinery? Is it proposed that existing machinery should be superseded? By "existing machinery" is meant Conciliation Boards and all other organisations for joint conference and discussion between Employers and Employed.

A. 2. In most organised trades there already exist joint bodies for particular purposes. It is not proposed that the Industrial Councils should necessarily disturb these existing bodies. A council would be free, if it choose and if the bodies concerned approved, to merge existing Committees, &c., in the Council or to link them with the Council as Sub-Committees.

Q. 3. Is it understood that membership of the Councils is to be confined to representatives elected by Employers' Associations and Trade Unions? What is the view of the Sub-Committee regarding the entry of new organisations established after the Councils have been set up?

A. 3. It is intended that the Councils should be composed only of representatives of Trade Unions and Employers' Associations, and that new organisations should be admitted only with the approval of the particular side of the Council of which the organisation would form a part.

Q. 4. (a)—Is it intended that decisions reached by the Councils shall be binding upon the bodies comprising them? If so, is such binding effect to be conditional upon the consent of each Employers' Association or Trade Union affected?

A. 4. (a) It is contemplated that agreements reached by Industrial Councils should (whilst not, of course, possessing the binding force of law) carry with them the same obligation of observance as exists in the case of other agreements between Employers' Associations and Trade Unions. A Council, being on its workmen's side based on the Trade Unions concerned in the industry, its powers or authority could only be such as the constituent Trade Unions freely agreed to.

Q. 4. (b) In particular, is it intended that all pledges

given either by the Government or employers for the restoration of Trade Union rules and practices after the war shall be redeemed without qualification unless the particular Trade Union concerned agrees to alterations; or, on the contrary, that the Industrial Council shall have power to decide such question by a majority vote of the workmen's representatives from all the Trade Unions in the industry?

A. 4. (b) It is clearly intended that all pledges relating to the restoration of Trade Union rules shall be redeemed without qualification unless the particular Trade Union concerned agrees to alteration; and it is not intended that the Council shall have power to decide such questions by a majority vote of the workmen's representatives from all the Trade Unions in the industry.

B. III. SECOND REPORT ON JOINT STANDING INDUSTRIAL COUNCILS.

To the Right Honourable D. Lloyd George, M.P., Prime Minister.

Sir.—Following the proposals made in our first Report, we have now the honour to present further recommendations dealing with industries in which organisation on the part of employers and employed is less completely established than in the industries covered by the previous Report, and with industries in which such organisation is weak or non-existent.

2. Before commencing the examination of these industries the Committee came to the conclusion that it would materially assist their enquiries if they could have the direct advantage of the knowledge and experience of some representative employers who were connected with industries of the kind with which the Committee were about to deal; and it was arranged, with your approval, that Sir Maurice Levy, Mr. F. N. Hepworth, Mr. W. Hill, and Mr. D. R. H. Williams should be appointed to act with the Committee while these industries were under consideration. This arrangement made it possible to release from attendance at the earlier meetings of the Committee Sir Gilbert Claughton, Sir T. Ratcliffe-Ellis, Sir George J. Carter, and Mr. Allan Smith, whose time is greatly occupied in other public work and whose experience is more particularly related to the organised trades covered by our former Report.

3. It is difficult to classify industries according to the degree of organisation among employers and employed, but for convenience of consideration the industries of the country may be divided into three groups:—

Group A.—Consisting of industries in which organisation on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in

the industry. These are the industries which we had in mind in our first Interim Report.

Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organisation, though considerable, is less marked than in Group A.

Group C.—Consisting of industries in which organisation is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.

The present Report is concerned with Groups B. and C.

4. So far as Groups A. and C. are concerned, a number of industries can be definitely assigned to them. Group B., however, is necessarily more indeterminate. Some of the industries in this group approach closely to industries in Group A., while others verge upon Group C. Further, most industries, in whatever class they may fall, possess a "tail," consisting of badly organised areas, or sections of the industry. These facts we have borne in mind in formulating our further proposals.

5. So far as industries in Group B. are concerned, we are of opinion that the proposals of our First Report should, in their main lines, be applied to those which, on examination by the Ministry of Labour in consultation with the Associations concerned, are found to be relatively well organized. We suggest, however, that where in these industries a National Industrial Council is formed there should be appointed one or at most two official representatives to assist in the initiation of the Council, and continue after its establishment to act in an advisory capacity and serve as a link with the Government. We do not contemplate that a representative so appointed should be a member of the National Industrial Council, in the sense that he should have power, by a vote, to influence the decisions of the Council, but that he should attend its meetings and assist in any way which may be found acceptable to it. By so doing he would acquire a continuous knowledge of the

conditions of the industry of which the Government could avail itself, and so avoid many mistakes that under present conditions are inevitable.

The question of the retention of the official representatives should be considered by the Councils in the light of experience gained when an adequate time has elapsed. We anticipate that in many cases their continued assistance will be found of value even after an industry has attained a high degree of organization, but in no case should they remain except at the express wish of the Councils concerned.

6. It may be that in some Group B. industries in which a National Industrial Council is formed certain areas are well suited to the establishment of District Councils, while in other areas the organisation of employers or employed, or both, is too weak to be deemed representative. There appears to be no good reason why in the former areas there should not be District Industrial Councils, acting in conjunction with the National Industrial Councils, in accordance with the principles formulated in the Committee's earlier report on the well-organised trades.

7. An examination of some of the industries coming within Group B. may show that there are some which, owing to the peculiarities of the trades and their geographical distribution, cannot at present be brought readily within the scope of the proposals for a National Industrial Council, though they may be quite well organised in two or more separate districts. In such a case we think there might well be formed one or more District Industrial Councils. We anticipate that in course of time the influence of the District Councils would be such that the industry would become suitable for the establishment of a National Industrial Council.

8. In the case of industries in Group B. (as in the industries covered by our first Report), we consider that the members of the National Councils and of the District Councils should be representatives of the Employers' Associations and Trade Unions concerned. In the formation of the Councils,

regard should be paid to the various sections of the industry and the various classes of labour engaged, and the representatives should include representatives of women's organisations. In view of the extent to which women are employed in these industries, we think the Trade Unions, when selecting their representatives for the Councils, should include a number of women among those who are appointed to be members.

9. It does not appear to us necessary or desirable to suggest any fixed standard of organisation which should exist in any industry before a National Industrial Council should be established. The case of each industry will need to be considered separately, regard being paid to its particular circumstances and characteristics.

In the discussion of this matter, we have considered whether it would be feasible to indicate a percentage of organisation which should be reached before a Council is formed, but, in view of the great diversity of circumstances in these industries and of the differing degrees to which the several sections of some of them are organised, we have come to the conclusion that it is more desirable to leave the matter to the decision of the Ministry of Labour, and the organisations concerned. Whatever theoretical standard may be contemplated, we think its application should not be restrictive in either direction.

10. The level of organisation in industries in Group C. is such as to make the scheme we have proposed for National or District Industrial Councils inapplicable. To these industries the machinery of the Trade Boards Act might well be applied, pending the development of such degree of organisation as would render feasible the establishment of a National Council or District Councils.

11. The Trade Boards Act was originally intended to secure the establishment of a minimum standard of wages in certain unorganised industries, but we consider that the Trade Boards should be regarded also as a means of supplying a regular machinery for negotiation and decision on certain

groups of questions dealt with in other circumstances by collective bargaining between employers' organisations and trade unions.

In order that the Trade Boards Act may be of greater utility in connection with unorganised and badly organised industries or sections of industries, we consider that certain modifications are needed to enlarge the functions of the Trade Boards. We suggest that they should be empowered to deal not only with minimum rates of wages but with hours of labour and questions cognate to wages and hours. We are of opinion also that the functions of the Trade Boards should be extended so as to enable them to initiate and conduct enquiries on all matters affecting the industry or the section of the industry concerned.

12. If these proposals were adopted, there would be set up, in a number of industries or sections of industries, Trade Boards (consisting of representatives of employers and employed, together with "appointed members") who would, within the scope of their functions, establish minimum standard rates and conditions applicable to the industry or section of the industry which they represented, and consider systematically matters affecting the well-being of the industry.

13. Where an industry in Group C. becomes sufficiently organised to admit of the institution of National and District Councils, we consider that these bodies should be set up on the lines already indicated. Where it appears to a Trade Board that an Industrial Council should be appointed in the industry concerned, they should have power (*a*) to make application to the Minister of Labour asking him to approach the organisations of employers and employed, and (*b*) to suggest a scheme by which the representation of the workers' and employers' sides of the Trade Board could be secured.

14. Whether in industries in Group C. the establishment of Works Committees is to be recommended is a question which calls for very careful examination, and we have made

the general question of Works Committees the subject of a separate Report.

15. We have already pointed out that most of the industries in Groups A. and B. have sections or areas in which the degree of organization among the employers and employed falls much below what is normal in the rest of the industry; and it appears to us desirable that the general body of employers and employed in any industry should have some means whereby they may bring the whole of the trade up to the standard of minimum conditions which have been agreed upon by a substantial majority of the industry. We therefore recommend that, on the application of a National Industrial Council sufficiently representative of an industry, the Minister of Labour should be empowered, if satisfied that the case is a suitable one, to make an Order either instituting for a section of the industry a Trade Board on which the National Industrial Council should be represented, or constituting the Industrial Council a Trade Board under the provisions of the Trade Boards Act. These proposals are not intended to limit, but to be in addition to, the powers at present held by the Ministry of Labour with regard to the establishment of Trade Boards in trades and industries where they are considered by the Ministry to be necessary.

16. We have already indicated (paragraph 9) that the circumstances and characteristics of each of the several industries will need to be considered before it can be decided definitely how far any of our proposals can be applied in particular instances, and we have refrained from attempting to suggest any exact degree of organisation which would be requisite before a particular proposal could be applied. We think, however, that the suggestion we have made in the preceding paragraph to confer upon a National Industrial Council the powers of a Trade Board should be adopted only in those cases in which the Minister of Labour is satisfied that the Council represents a substantial majority of the industry concerned.

17. We are of opinion that most of the chief industries of the country could be brought under one or other of the schemes contained in this and the preceding Report. There would then be broadly two classes of industries in the country —industries with Industrial Councils and industries with Trade Boards.

18. In the former group the National Industrial Councils would be constituted either in the manner we have indicated in our first Report, carrying with them District Councils and Works Committees, or on the lines suggested in the present Report, *i.e.*, each Council coming within the scope of this Report having associated with it one, or two, official representatives to act in advisory capacity and as a link with the Government, in addition to the representatives of the employers and employed.

19. It should be noted that in the case of industries in which there is a National Industrial Council, Trade Boards might, in some instances, be associated with the Council in order to determine wages and hours, &c. in certain sections or areas. It is possible that in some allied trades, really forming part of the same industry, both sets of proposals might, in the first instance, be in operation side by side, one trade having its Industrial Council and the other its Trade Board. Where these circumstances obtain, we anticipate that the Trade Board would be a stepping stone to the full Industrial Council status.

20. It may be useful to present a brief outline of the proposals which we have so far put forward:—

- (a) In the more highly organised industries (Group A.) we propose a triple organisation of national, district, and workshop bodies, as outlined in our first Report.
- (b) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries, we propose that the triple organisation

should be modified by attaching to each National Industrial Council one or at most two representatives of the Ministry of Labour to act in an advisory capacity.

- (c) In industries in both Groups A. and B., we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council and with the approval of the Ministry of Labour, with Trade Boards for such areas or branches, the Trade Boards being linked with the Industrial Council.
- (d) In industries having no adequate organisation of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might include in an advisory capacity the "appointed members" of the Trade Board.

21. It will be observed that the policy we recommend is based upon organisation on the part of both employers and employed. Where this is adequate, as in Group A. industries, there is no need of external assistance. In Group B. industries, we think that the organisations concerned would be glad to have the services of an official representative who would act as adviser and as a link with the Government. In unorganised sections of both groups of industries we believe that a larger measure of Government assistance will be both desirable and acceptable, and we have therefore suggested the adoption of the machinery of the Trade Boards Act in this connection. In Group C. industries we think that organisation will be encouraged by the use of the powers under the Trade Boards Act, and where National Industrial Councils are set up we recommend that the "appointed members" of the Trade Board should act on the Councils in an advisory capacity.

Briefly, our proposals are that the extent of State assistance should vary inversely with the degree of organisation in industries.

22. We do not, however, regard Government assistance as an alternative to the organisation of employers and employed. On the contrary, we regard it as a means of furthering the growth and development of such organisation.

23. We think it advisable in this connection to repeat the following paragraph from our former Report:—

“ It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both employers and workpeople. The proposals outlined for joint co-operation throughout the several industries depend for their ultimate success upon there being such organisation on both sides; and such organisation is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.”

24. In considering the scope of the matters referred to us we have formed the opinion that the expression “ employers and workmen ” in our reference covers State and Municipal authorities and persons employed by them. Accordingly we recommend that such authorities and their workpeople should take into consideration the proposals made in this and in our first Report, with a view to determining how far such proposals can suitably be adopted in their case.

We understand that the Ministry of Labour has up to the present circulated our first Report only to employers' and workpeople's associations in the ordinary private industries. We think, however, that both it and the present Report should also be brought to the notice of State Departments and Municipal Authorities employing labour.

25. The proposals we have set forth above do not require legislation except on three points, namely, to provide—

- (1) That the Trade Boards shall have power, in addition to determining minimum rates of wages, to deal with hours of labour and questions cognate to wages and hours.
- (2) That the Trade Boards shall have power to initiate enquiries, and make proposals to the Government Departments concerned, on matters affecting the industrial conditions of the trade, as well as on questions of general interest to the industries concerned respectively.
- (3) That when an Industrial Council sufficiently representative of an industry makes application, the Minister of Labour shall have power, if satisfied that the case is a suitable one, to make an Order instituting for a section of the industry a Trade Board on which the Industrial Council shall be represented, or constituting the Council a Trade Board under the Trade Boards Act.

26. The proposals which we have made must necessarily be adapted to meet the varying needs and circumstances of different industries, and it is not anticipated that there will be uniformity in practice. Our recommendations are intended merely to set forth the main lines of development which we believe to be essential to ensure better relations between employers and employed. Their application to the several industries we can safely leave to those intimately concerned, with the conviction that the flexibility and adaptability of industrial organisation which have been so large a factor in enabling industry to stand the enormous strain of the war will not fail the country when peace returns.

27. Other problems affecting the relations between employers and employed are engaging our attention, but we believe that, whatever further steps may be necessary to accomplish the object we have in view, the lines of development suggested in the present Report and the one which preceded it are fundamental. We believe that in each industry there is

a sufficiently large body of opinion willing to adopt the proposals we have made as a means of establishing a new relation in industry.

We have the honour to be, Sir,

Your obedient servants,

J. H. WHITLEY, *Chairman*,
and Committee.

18th October, 1917.

B. IV. THIRD OR SUPPLEMENTARY REPORT ON WORKS COMMITTEES.

In our first and second reports we have referred to the establishment of works committees, representative of the management and of the workpeople, and appointed from within the works, as an essential part of the scheme of organization suggested to secure improved relations between employers and employed. The purpose of the present report is to deal more fully with the proposal to institute such committees.

2. Better relations between employers and their workpeople can best be arrived at by granting to the latter a greater share in the consideration of matters with which they are concerned. In every industry there are certain questions, such as rates of wages and hours of work, which should be settled by district or national agreement, and with any matter so settled no works committee should be allowed to interfere; but there are also many questions closely affecting daily life and comfort in, and the success of, the business, and affecting in no small degree efficiency of working, which are peculiar to the individual workshop or factory. The purpose of a works committee is to establish and maintain a system of cooperation in all these workshop matters.

3. We have throughout our recommendations proceeded upon the assumption that the greatest success is likely to be achieved by leaving to the representative bodies of employers and employed in each industry the maximum degree of freedom to settle for themselves the precise form of council or committee which should be adopted, having regard in each case to the particular circumstances of the trade; and, in accordance with this principle, we refrain from indicating any definite form of constitution for the works committees. Our proposals as a whole assume the existence of organizations of both employers and employed and a frank and full recognition

of such organizations. Works committees established otherwise than in accordance with these principles could not be regarded as a part of the scheme we have recommended, and might indeed be a hindrance to the development of the new relations in industry to which we look forward. We think the aim should be the complete and coherent organization of the trade on both sides, and works committees will be of value in so far as they contribute to such a result.

4. We are of the opinion that the complete success of works committees necessarily depends largely upon the degree and efficiency of organization in the trade, and upon the extent to which the committees can be linked up, through organizations that we have in mind, with the remainder of the scheme which we are proposing, viz., the district and national councils. We think it important to state that the success of the works committees would be very seriously interfered with if the idea existed that such committees were used, or likely to be used, by employers in opposition to trade-unionism. It is strongly felt that the setting up of works committees without the cooperation of the trade-unions and the employers' associations in the trade or branch of trade concerned would stand in the way of the improved industrial relationships which in these reports we are endeavoring to further.

5. In an industry where the workpeople are unorganized, or only very partially organized, there is a danger that works committees may be used, or thought to be used, in opposition to trade-unionism. It is important that such fears should be guarded against in the initiation of any scheme. We look upon successful works committees as the board base of the industrial structure which we have recommended, and as the means of enlisting the interest of the workers in the success both of the industry to which they are attached and of the workshop or factory where so much of their life is spent. These committees should not, in constitution or methods or working, discourage trade organizations.

6. Works committees, in our opinion, should have regular meetings at fixed times, and, as a general rule, not less frequently than once a fortnight. They should always keep in the forefront the idea of constructive cooperation in the improvement of the industry to which they belong. Suggestions of all kinds tending to improvement should be frankly welcomed and freely discussed. Practical proposals should be examined from all points of view. There is an undeveloped asset of constructive ability—valuable alike to the industry and to the State—awaiting the means of realization; problems, old and new, will find their solution in a frank partnership of knowledge, experience and good will. Works committees would fail in their main purpose if they existed only to smooth over grievances.

7. We recognize that, from time to time, matters will arise which the management or the workmen consider to be questions they can not discuss in these joint meetings. When this occurs, we anticipate that nothing but good will come from the friendly statement of the reasons why the reservation is made.

8. We regard the successful development and utilization of works committees in any business on the basis recommended in this report as of equal importance with its commercial and scientific efficiency; and we think that in every case one of the partners or directors, or some other responsible representative of the management, would be well advised to devote a substantial part of his time and thought to the good working and development of such a committee.

9. There has been some experience, both before the War and during the War, of the benefits of works committees, and we think it should be recommended most strongly to employers and employed that, in connection with the scheme for the establishment of national and district industrial councils, they should examine this experience with a view to the institution of works committees on proper lines, in works where the

conditions render their formation practicable. We have recommended that the Ministry of Labor should prepare a summary of the experience available with reference to works committees, both before and during the War, including information as to any rules or reports relating to such committees, and should issue a memorandum thereon for the guidance of employers and workpeople generally, and we understand that such a memorandum is now in course of preparation.

10. In order to insure uniform and common principles of action, it is essential that where national and district industrial councils exist the works committees should be in close touch with them, and the scheme for linking up works committees with the councils should be considered and determined by the national councils.

11. We have considered it better not to attempt to indicate any specific form of works committees. Industrial establishments show such infinite variation in size, number of persons employed, multiplicity of departments, and other conditions, that the particular form of works committees must necessarily be adapted to the circumstances of each case. It would, therefore, be impossible to formulate any satisfactory scheme which does not provide a large measure of elasticity.

We are confident that the nature of the particular organization necessary for the various cases will be settled without difficulty by the exercise of good will on both sides.

We have the honour to be, Sir,

Your obedient servants,

J. H. WHITLEY, *Chairman,*
and Committee.

18th October, 1917.

B. V. REPORT ON CONCILIATION AND ARBITRATION.

We believe that the recommendations made in our earlier reports for the establishment of industrial councils will provide facilities for full and free discussion of matters affecting the several industries and so improve the relations between employers and employed. We have thought it necessary, however, to give some attention to the cases in which the parties may desire voluntarily to refer some difference that has arisen to arbitration or conciliation. But it must be understood that we do not intend to express any views on the extent to which disputes can be equitably or satisfactorily settled in this way. As regards arbitration, our sole concern in this report is with the question of the machinery to be provided when it is the expressed wish of both parties, for any reason, to have recourse to it.

2. We are opposed to any system of compulsory arbitration; there is no reason to believe that such a system is generally desired by employers and employed, and, in the absence of such general acceptance, it is obvious that its imposition would lead to unrest. The experience of compulsory arbitration during the War has shown that it is not a successful method of avoiding strikes, and in normal times it would undoubtedly prove even less successful. Disputes can only be avoided by agreement between employers and workers and by giving to the latter the greater measure of interest in the industry advocated in our former reports; but agreement may naturally include the decision of both parties to refer any specified matter or matters to arbitration, whether this decision is reached before or after a dispute arises.

3. For the same reason we do not recommend any scheme relating to conciliation which compulsorily prevents strikes or lockouts pending inquiry. But it is obviously possible and desirable that in some instances arrangements should

be voluntarily made in organized trades for holding an inquiry before recourse to extreme measures, and we suggest that the Ministry of Labor should be authorized to hold a full inquiry when satisfied that it was desirable, without prejudice to the power of the disputing parties to declare a strike or lockout before or during the progress of the inquiry.

4. It is important that it should be clearly understood that we do not contemplate the imposition of an elaborate system of conciliation and arbitration upon industry, in place of the present well-recognized voluntary conciliation and arbitration machinery which exists in so many of the important trades of the country. On the contrary, we desire to emphasize the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves.

5. The extent to which machinery for the conciliatory adjustment of disputes exists in the important trades of this country is one of the most marked features of its industrial organization, and the valuable work that has been done by the numerous conciliation and arbitration boards in the past has rendered it possible for the State to remain very much in the background. There seems no reason to suppose that after the war these boards will not continue to work effectively, and it may be (especially in so far as they may become merged in or correlated with the joint industrial councils, whose establishment the committee have recommended) that they will achieve an even larger degree of success in securing the settlement of points that may arise between employers and employed, when regular joint meetings, apart from any disputes, have been established, and their benefit experienced.

6. It is desirable, however, to consider the part that should be taken by the State in the event of those directly concerned in industry being unable to adjust their differences themselves. The interest of the community may require that there should be an unbiased and independent examination of the facts and circumstances connected with any dispute be-

tween employers and employed. On this point the committee have had under consideration the Canadian Industrial Disputes Investigation Act, and the report on the working of that act made by Sir George Askwith. They have also had under consideration the recommendations contained in the report of the industrial council.

The committee indorse the view that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute and an authoritative pronouncement made thereon, although this does not carry with it any compulsory power of delaying strikes or lockouts.

7. Section 2 (1) (a) of the Conciliation Act, 1896, empowers the Ministry of Labour to cause an inquiry to be held into the facts and circumstances of dispute. Presumably the existing act empowers the Ministry of Labour to publish reports made as a result of inquiries of this character, but, if not, the necessary power should be obtained, so that there may be immediate publication, for the information of those affected by the dispute and of the public generally, of an independent and authoritative account of the matters in difference.

The question whether these powers should be exercised in respect of particular cases is one which must be left to the discretion of the Government department concerned.

8. Arbitration being recognized as an appropriate method whereby the parties to industrial differences may voluntarily seek to have those differences adjusted, it is necessary to consider what form of arbitration tribunals are calculated to command the confidence of those who may appeal to them. Under the Conciliation Act the usual form of arbitration tribunal was the "single arbitrator," an independent person appointed by the Board of Trade sitting as sole judge except in cases where the points in dispute necessitated the assistance of technical assessors. Courts of arbitration (an employer's representative, a workmen's representative, and an independent chairman) were established in 1908, but comparatively few cases are referred to this form of tribunal.

9. Under the Munitions of War Act, in addition to single arbitrators and courts of arbitration, two other forms of tribunal were established—the committee on production and the special arbitration tribunal for women's wages. The committee on production consisted of three independent persons appointed by the Government, and the majority of the disputes referred to arbitration during the War other than those affecting the wages of women on munitions work have been settled by that tribunal. Its personnel has recently been changed and it is now constituted on lines similar to a court of arbitration, except that its members hold continuous office and are not appointed ad hoc. The special arbitration tribunal for women's wages consists of an independent chairman and members chosen either for their official experience or their special knowledge of the interests of employers and workpeople, respectively.

10. As arbitrations affecting the same trade or section of trades may recur, there are advantages to both employers and workpeople in knowing that the tribunal to which they submit any differences which they may have failed themselves to settle is one to which previous differences have been submitted, and which therefore has become to some extent familiar with the conditions of the trade.

11. For these reasons it would appear desirable that there should be a standing arbitration council on the lines of the present temporary committee on production to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure, and wish to refer the differences to arbitration.

Such tribunal should include in its membership persons who have practical experience and knowledge of industry, and who are acquainted with the respective standpoints of employers and workpeople.

12. There are, however, certain administrative difficulties connected with the utilization of tribunals of three or more persons, particularly where the parties desire that their case should be heard locally, and where the matter is one of relatively small importance, and it is desirable that suitable persons should be available to act as single arbitrators where the parties agree to submit their case to a single arbitrator. Persons possessing experience of industrial conditions and acquainted with industrial and work-shop life, including representatives of labour, would seem the most likely to command the respect and confidence of the parties. It will be obvious that the efficiency of an arbitrator, provided that he possess the right personal qualifications, increases with practice and the study of the conditions with which he has to deal.

13. The question whether, and if so, by what means, awards of single arbitrators should be coordinated with the more general awards of the standing arbitration council is one of considerable difficulty, as there are important reasons why the several awards should not conflict.

The experience which has been gained of the various forms of arbitration tribunals suggests that there are great advantages to all parties in facilitating coordination of decisions. Conflicting decisions given by different tribunals are bound to cause dissatisfaction to one or other party. With the object of avoiding such conflict as much as possible it is of paramount importance that the department charged with the appointment of arbitrators should be in a position to insure that the several arbitrators should have opportunities of interchanging views and experiences. The means to insure reasonable co-ordination should be provided through the secretariat of the standing arbitration council. The awards and decisions of that council would be circulated among the single arbitrators who would thus be kept in touch with the more general and comprehensive cases.

14. In order that there might be the requisite differentiation between questions of general importance or principle and

questions of comparatively less importance, the department responsible for referring cases of arbitration should pass all cases to the secretariat of the standing arbitration council. The secretariat should include a highly trained staff with experience of industry and knowledge of arbitration work so that proper differentiation would be made between the various cases and, subject to the concurrence of the parties, the several cases referred to the form of tribunal most competent to deal with them to the satisfaction of those concerned.

15. The question whether awards and agreements should be made enforceable by means of monetary or other penalties was examined exhaustively by the industrial council in an inquiry commenced in 1912, and the committee concur generally in the views expressed in the report made by the council in 1913 to the effect that, while it is to the interests of both employers and workpeople and the community generally that industrial agreements should be duly fulfilled, in the long run this object is more likely to be secured by an increased regard for moral obligation, respect for an instructed public opinion, and reliance on the principles of mutual consent rather than by the establishment of a system of monetary penalties.

16. Our conclusions, therefore, are that (*a*) whilst we are opposed to any system of compulsory arbitration, we are in favor of an extension of voluntary machinery for the adjustment of disputes. Where the parties are unable to adjust their differences we think that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute, and an authoritative pronouncement made thereon, though we do not think that there should be any compulsory power of delaying strikes and lockouts; (*b*) we further recommend that there should be established a standing arbitration council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available where the parties so desire.

We have the honour to be, sir, your obedient servants,
J. H. WHITLEY, *Chairman*,
and Committee.

31st January, 1918.

B. VI. MEMORANDUM OF THE MINISTERS OF LABOUR AND RECONSTRUCTION ON INDUSTRIAL COUNCILS AND TRADE BOARDS.

1. The proposals contained in the First Report on Joint Standing Industrial Councils of the Committee on Relations between Employers and Employed have been adopted by the Government. The steps which have been taken to establish Industrial Councils have enabled the Government to consider the proposals of the Second Report on Joint Standing Industrial Councils in the light of experience. This Report, which deals with industries other than those which are highly organised, follows naturally upon the First Report of the Committee, and develops the line of policy therein proposed. It has not been found possible from the administrative point of view to adopt the whole of the recommendations contained in the Second Report, but such modifications as it seems desirable to make do not affect the principles underlying the Committee's proposal for the establishment of Joint Industrial Councils. They are designed to take advantage of the administrative experience of the Ministry of Labour with regard to both Industrial Councils and Trade Boards. In view of the growing interest which is being taken in the establishment of Industrial Councils and of the proposed extension of Trade Boards, it appears desirable to set forth the modifications which the Government regard as necessary in putting into operation the recommendations of the Second Report, and also to make clear the relations between Trade Boards and Industrial Councils.

2. The First Report on Joint Standing Industrial Councils referred only to the well-organised industries. The Second Report deals with the less organised and unorganised trades, and suggests the classification of the industries of the country into three groups:—

“ Group A.—Consisting of industries in which organisation on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first Interim Report.

“ Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organisation, though considerable, is less marked than in Group A.

“ Group C.—Consisting of industries in which organisation is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.”

The proposals of the Committee on Relations between Employers and Employed are summarised in paragraph 20 of their Second Report as follows:—

“(a) In the more highly organised industries (Group A.) we propose a triple organisation of national, district, and workshop bodies, as outlined in our First Report.

“(b) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries we propose that the triple organization should be modified, by attaching to each National Industrial Council one, or at most two representatives of the Ministry of Labour to act in an advisory capacity.

“(c) In industries in both Groups A. and B., we propose that unorganised areas or branches of an industry should be provided, on the application of the National Industrial Council, and with the approval of the Ministry of Labour, with Trade Boards for such

areas or branches, the Trade Boards being linked with the Industrial Council.

"(d) In industries having no adequate organisation of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might include, in an advisory capacity, the 'appointed members' of the Trade Board."

It may be convenient to set out briefly the modifications of the above proposals, which it has been found necessary to make.

- (1) As regards (b) it has been decided to recognise one type of Industrial Council only, and not to attach official representatives to the Council, except on the application of the Industrial Council itself.
- (2) As regards (c) and (d) the relations between Trade Boards and Industrial Councils raise a number of serious administrative difficulties due to the wide differences in the purpose and structure of the two types of bodies. It is not regarded as advisable that a Trade Board should formulate a scheme for an Industrial Council, nor is it probable that Trade Boards for unorganised areas will be set up in conjunction with a Joint Industrial Council.

3. It is necessary at the outset to emphasize the fundamental differences between Industrial Councils and Trade Boards. A Joint Industrial Council is voluntary in its character and can only be brought into existence with the agreement of the organisations of employers and workpeople in the particular industry, and the Council itself is composed exclusively of persons nominated by the Employers' Associations and Trade Unions concerned. The Industrial Council is, moreover, within very wide limits, able to determine its own func-

ons, machinery and methods of working. Its functions in most all cases will probably cover a wide range and will be concerned with many matters other than wages. Its machinery and methods will be based upon past experience of the industry and the existing organisation of both employers and employed. Industrial Councils will, therefore, vary in structure and functions as can be seen from the provisional constitutions already submitted to the Ministry of Labour. Financially they will be self-supporting, and will receive no monetary aid from the Government. The Government proposes to recognise the Industrial Council in an industry as the representative organisation to which it can refer. This was made clear in the Minister of Labour's circular letter of October 20th, 1917, in which it is said that "the Government desire it to be understood that the Councils will be recognised as the official standing consultative committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions in which the industry is concerned."

A Trade Board, on the other hand, is a statutory body established by the Minister of Labour and constituted in accordance with Regulations made by him in pursuance of the Trade Board Act; and its expenses, in so far as authorised by the Minister of Labour and sanctioned by the Treasury, are defrayed out of public money. The Regulations may provide for the election of the representatives of employers and workers or for their nomination by the Minister of Labour, but in either case provision must be made for the due representation of framework workers in trades in which a considerable proportion of framework workers are engaged. On account of the comparative lack of organisation in the trades to which the Act at present applies, the method of nomination by the Minister has proved practice to be preferable to that of election, and in nearly all cases the representative members of Trade Boards are now nominated by the Minister. The Employers' Associations and

Trade Unions in the several trades are invited to submit the names of candidates for the Minister's consideration, and full weight is attached to their recommendation, but where the trade organisations do not fully represent all sections of the trade, it is necessary to look outside them to find representatives of the different processes and districts affected.

A further distinction between Trade Boards and Industrial Councils is, that while Industrial Councils are composed entirely of representatives of the Employers' Associations and Trade Unions in the industry, every Trade Board includes, in addition to the representative members, a small number (usually three) of "appointed members," one of whom is appointed by the Minister to act as Chairman and one as Deputy Chairman of the Board. The appointed members are unconnected with the trade and are appointed by the Minister as impartial persons. The primary function of a Trade Board is the determination of minimum rates of wages, and when the minimum rates of wages fixed by a Trade Board have been confirmed by the Minister of Labour, they are enforceable by criminal proceedings, and officers are appointed to secure their observance. The minimum rates thus become part of the law of the land, and are enforced in the same manner as, for example, the provisions of the Factory Acts. The purpose, structure, and functions of Industrial Councils and Trade Boards are therefore fundamentally different. Their respective areas of operation are also determined by different considerations. An Industrial Council will exercise direct influence only over the organisations represented upon it. It will comprise those employers' associations with common interests and common problems; similarly its trade union side will be composed of representatives of organisations whose interests are directly interdependent. An Industrial Council therefore is representative of organisations whose objects and interests, whilst not identical, are sufficiently interlocked to render common action desirable. The various organisations represent the interests of employers and workers engaged in the production of a particular com-

modity or service (or an allied group of commodities or services).

A Trade Board, on the other hand, is not based on existing organisations of employers and employed, but covers the whole of the trade for which it is established. As the minimum rates are enforceable by law, it is necessary that the boundaries of the trade should be precisely defined ; this is done, within the limits prescribed by statute, by the Regulations made by the Minister of Labour. Natural divisions of industry are, of course, followed as far as possible, but in many cases the line of demarcation must necessarily be somewhat arbitrary. In the case of Industrial Councils difficult demarcation problems also arise, but the considerations involved are somewhat different, as the object is to determine whether the interests represented by given organisations are sufficiently allied to justify the co-operation of these organisations in one Industrial Council.

4. The reports received from those who are engaged in assisting the formation of Joint Industrial Councils show that certain paragraphs in the Second Report of the Committee on Relations between Employers and Employed have caused some confusion as to the character and scope of Joint Industrial Councils and Trade Boards respectively. It is essential to the future development of Joint Industrial Councils that their distinctive aim and character should be maintained. It is necessary therefore to keep clearly in mind the respective functions of the Joint Industrial Council and the Trade Board, in considering the recommendations contained in the following paragraphs of the Second Report:—

- (a) Paragraphs 3, 4 and 5, dealing with the division of Joint Industrial Councils into those that cover Group A. industries, and those that cover Group B. industries.
- (b) Paragraph 7, dealing with district Industrial Councils in industrials where no National Council exists.

- (c) Paragraphs 10, 13, 15 and 16, dealing with Trade Boards in relation to Joint Industrial Councils.
- (d) Paragraphs 11 and 12, dealing with Trade Boards in industries which are not suitably organised for the establishment of a Joint Industrial Council.

5. *Distinction drawn between Joint Industrial Councils in Group A. Industries and Group B. Industries.*—In paragraph 9 of the Second Report it is implied that the Ministry of Labour would determine whether the standard of organisation in any given industry has reached such a stage as to justify the official recognition of a Joint Industrial Council in that industry. It is clear, however, that it would be impossible for the Ministry to discover any satisfactory basis for distinguishing between an industry which falls into Group A., and one which falls into Group B. It is admitted in paragraph 9 of the Second Report, that no arbitrary standard of organisation could be adopted, and it would be both invidious and impracticable for the Ministry of Labour, upon whom the responsibility would fall, to draw a distinction between A. and B. industries. The only clear distinction is between industries which are sufficiently organised to justify the formation of a Joint Industrial Council, and those which are not sufficiently organised. Individual cases must be judged on their merits after a consideration of the scope and effectiveness of the organisation, the complexity of the industry and the wishes of those concerned.

The experience already gained in connection with Joint Industrial Councils indicates that it would be inadvisable in the case of industries in Group B. to adopt the proposal that "there should be appointed one or at most two official representatives to assist in the initiation of the Council and continue after its establishment to act in an advisory capacity and serve as a link with the Government." It is fundamental to the idea of a Joint Industrial Council that it is a voluntary body set up by the industry itself, acting as an independent

body and entirely free from all State control. Whilst the Minister of Labour would be willing to give every assistance to Industrial Councils, he would prefer that any suggestion of this kind should come from the industry, rather than from the Ministry.

The main idea of the Joint Industrial Council as a Joint Body representative of an industry and independent of State control has now become familiar, and the introduction of a second type of Joint Industrial Council for B. industries would be likely to cause confusion and possibly to prejudice the future growth of Joint Industrial Councils.

In view of these circumstances, therefore, it has been decided to adopt a single type of Industrial Council.

6. *District Industrial Councils*.—Paragraph 7 of the Second Report suggests that in certain industries in which a National Industrial Council is not likely to be formed, in the immediate future, it might none the less be possible to form one or more "district" Industrial Councils.

In certain cases the formation of joint bodies covering a limited area is probable. It would, however, avoid confusion if the term "District" were not part of the title of such Councils, and if the use of it were confined to District Councils in an industry where a National Council exists. Independent local Councils might well have a territorial designation instead.

7. *Trade Boards in Relation to Joint Industrial Councils*.—The distinction between Trade Boards and Joint Industrial Councils has been set forth in paragraph 3 above. The question whether an Industrial Council should be formed for a given industry depends on the degree of organisation achieved by the employers and workers in the industry, whereas the question whether a Trade Board should be established depends primarily on the rates of wages prevailing in the industry or in any part of the industry. This distinction makes it clear that the question whether a Trade Board should or should not be set up by the Minister of Labour for a given industry, must be decided apart from the question whether a

Joint Industrial Council should or should not be recognized in that industry by the Minister of Labour.

It follows from this that it is possible that both a Joint Industrial Council and a Trade Board may be necessary within the same industry.

In highly organised industries, the rates of wages prevailing will not, as a rule, be so low as to necessitate the establishment of a Trade Board. In some cases, however, a well-defined section of an otherwise well-organised industry or group of industries may be unorganised and ill-paid; in such a case it would clearly be desirable for a Trade Board to be established for the ill-paid section, while there should at the same time be an Industrial Council for the remaining sections, or even for the whole, of the industry or industrial group.

In the case of other industries sufficiently organised to justify the establishment of an Industrial Council, the organizations represented on the Council may nevertheless not be comprehensive enough to regulate wages effectively throughout the industry. In such cases a Trade Board for the whole industry may possibly be needed.

Where a Trade Board covers either the whole or part of an industry covered by a Joint Industrial Council, the relations between them may, in order to avoid any confusion or misunderstanding, be defined as follows:—

- (1) Where Government Departments wish to consult the industry, the Joint Industrial Council, and not the Trade Board, will be recognised as the body to be consulted.
- (2) In order to make use of the experience of the Trade Board, the constitution of the Industrial Council should be so drawn as to make full provision for consultation between the Council and the Trade Board on matters referred to the former by a Government Department, and to allow of the representation of the Trade Board on any Sub-Committee of the Coun-

cil dealing with questions with which the Trade Board is concerned.

- (3) The Joint Industrial Council clearly cannot under any circumstances over-ride the statutory powers conferred upon the Trade Board, and if the Government at any future time adopted the suggestion contained in Section 21 of the First Report that the sanction of law should be given on the application of an Industrial Council to agreements made by the Council, such agreements could not be made binding on any part of a trade governed by a Trade Board, so far as the statutory powers of the Trade Board are concerned.

The Minister of Labour will not ordinarily set up a Trade Board to deal with an industry or branch of an industry, in which the majority of employers and workpeople are covered by wage agreements, but in which a minority, possibly in certain areas, are outside the agreement. It would appear that the proposal in Section 21 of the First Report was specially designed to meet such cases. Experience has shown that there are great difficulties in the way of establishing a Trade Board for one area only in which an industry is carried on, without covering the whole of a Trade, though the Trade Boards Act allows of this procedure.

8. Trade Boards in industries which are not sufficiently organized for the establishment of a Joint Industrial Council.
—Section 3 of the Trade Boards Act, 1909, provides that “a Trade Board for any trade shall consider, as occasion requires, any matter referred to them by a Secretary of State, the Board of Trade, or any other Government Department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.”

In the case of an industry in which a Trade Board has been established, but an Industrial Council has not been

formed, the Trade Board is the only body that can claim to be representative of the industry as a whole.

It is already under a statutory obligation to consider questions referred to it by a Government Department; and where there is a Trade Board but no Industrial Council in an industry it will be suggested to Government Departments that they should consult the Trade Board as occasion requires in the same manner as they would consult Industrial Councils.

On the other hand, for the reasons which have been fully set out above, Industrial Councils must be kept distinct from Trade Boards, and the latter, owing to their constitution, cannot be converted into the former. If an industry in which a Trade Board is established becomes sufficiently organised for the formation of an Industrial Council, the Council would have to be formed on quite different lines from the Trade Board, and the initiative should come, not from the Trade Board, which is a body mainly nominated by the Minister of Labour, but from the organisations in the industry. Hence it would not be desirable that Trade Boards should undertake the formation of schemes for Industrial Councils.

Ministry of Reconstruction,
2, Queen Anne's Gate Buildings,
Westminster, S.W.
7th June 1918.

B. VII. FINAL REPORT.

To the Rt. Hon. D. Lloyd George, M. P., Prime Minister:

Sir.—The Committee was appointed by the Prime Minister in October, 1916, with the following terms of reference:

- (1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.
- (2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

This reference might be held to invite us to recommend in detail schemes applicable to varied industries. From this we have refrained, in the belief that it is wiser to indicate a ground plan only, and invite the persons actually engaged in the several industries to build the fabric suited to their own conditions.

2. We have presented four Reports. In our first Report on Joint Industrial Councils we recommend the establishment for each of the principal well-organised industries of a triple form of organisation, representative of employers and employed, consisting of Joint Industrial Councils, Joint District Councils, and Works Committees, each of the three forms of organisation being linked up with the others so as to constitute an organisation covering the whole of the trade, capable of considering and advising upon matters affecting the welfare of the industry, and giving to labour a definite and enlarged share in the discussion and settlement of industrial matters with which employers and employed are jointly concerned.

3. In our second Report on Joint Industrial Councils we proposed for trades where organisation is at present very weak or non-existent an adaptation and expansion

of the system of Trade Boards working under an amended Trade Boards Act; and for trades in which organisation is considerable, but not yet general, a system of Joint Councils with some Government assistance which may be dispensed with as these industries advance to the stage dealt with in our first Report.

In the second Report we proposed also a plan whereby the Joint Council of an Industry when it has agreed upon a minimum standard of working conditions for those employed in the industry may have the means of making those conditions general in any district or over the whole country.

Taking our first and second Reports together they constitute a scheme designed to cover all the chief industries of the country and to equip each of them with a representative joint body capable of dealing with matters affecting the welfare of the industry in which employers and employed are concerned, and of caring for the progressive improvement of the industry as an integral part of the national prosperity.

4. We have considered it no less important that in each factory or workshop, where the circumstances of the industry permit, and when the conditions which we have stated are fulfilled, there should be a Works Committee, representative of the management and the men and women employed, meeting regularly to consider questions peculiar to the individual factory or workshop, which affect the daily life and comfort of the workers and in no small degree the efficiency of the work, and in which practical experience will bring a valuable contribution to the improvement of methods. This question was the subject of our third Report.

5. We wish to reaffirm our conviction, expressed in the first Report, of the urgency of the matter. In our opinion there is pressing need that every organised industry should equip itself with a representative machinery capable of dealing with the large questions of common interest to employers and employed arising in war time, during demobilisation and in the

period after the war. Further, we believe that when the Joint Councils have gained confidence and experience in dealing with the urgent problems of the moment they will find their sphere of usefulness to be much wider than they themselves imagined at their first inception.

Similarly, Works Committees, beginning perhaps with limited functions, will, we anticipate, without in any way trenching upon matters appropriate to the Industrial Councils find a continual growth in the list of questions appertaining to the individual factory or workshop that can be dealt with by mutual agreement. We have purposely refrained, throughout our Reports, from making proposals in detail with regard to the constitution of the Councils and Committees or the scope of their functions because we are convinced that this can only be done satisfactorily by the people engaged in an industry and familiar with all its circumstances.

We note with satisfaction that, following the approval of our first Report by the War Cabinet, the Ministry of Labour has established a special Department to give assistance and information where it may be desired, and to collect and codify the results of the activities and experience of the Councils that have been formed or are coming into existence.

6. In our fourth Report we have made recommendations on Conciliation and Arbitration. Relying in the main on the methods built up by agreement within the various industries, and looking to an expansion and improvement of these methods resulting from the habit of dealing with common questions in Joint Council, we have limited our new proposals to the establishment of a small Standing Arbitration Council, on the lines of the present Committee on Production, to deal with cases where the parties have failed to come to an agreement under their ordinary procedure and wish to refer their differences to this Council.

In this connection we have made suggestions designed to minimize the occurrence of conflicting awards and to secure an

interchange of knowledge and experience between persons called upon to act as Arbitrators.

7. On the question of the adoption of schemes of Profit-sharing and Co-partnership, we have considered the evidence at present available and have felt bound to come to the conclusion that it does not justify us in putting forward any general recommendations.

8. Our recommendations have the effect of conferring upon the Joint Industrial Councils, and through them upon the several industries, a large measure of self-government. Many of the subjects which might perhaps have been suggested as forming objects of enquiry by the present Committee are matters which, in our opinion, can more usefully and profitably be considered by the Joint organisations, composed as they are of those actually concerned in the various trades. Moreover, since our Committee was constituted two new Departments of State have been set up, viz., the Ministry of Labour and the Ministry of Reconstruction.

The functions of these Departments and the activities of the various Advisory Committees which they have established will necessarily include the consideration of the relations between employers and employed and of the problems connected therewith, and the Departments will no doubt be better able (through and with the assistance of the Industrial Councils which we have recommended) to offer such advice and guidance as may be found necessary than the present Committee.

It is clear, therefore, that if we were to undertake further enquiries there would be a considerable amount of overlapping either with the work that is now being carried on by the Central Departments or with the duties and functions of the Industrial Councils.

For these reasons we beg to be allowed to present this as our Final Report.

9. Throughout our work we have received most valuable assistance from our Secretaries, Mr. H. J. Wilson and Mr.

Arthur Greenwood, and we wish to record our gratitude to them for the services they have rendered.

We have the honour to be, Sir,

Your obedient servants,

J. H. WHITLEY (Chairman)
and Committee.

July 1st, 1918.

NOTE.

By attaching our signatures to the general reports we desire to render hearty support to the recommendations that industrial councils or trade boards, according to whichever are the more suitable in the circumstances, should be established for the several industries or businesses and that these bodies, representative of employees and employed, should concern themselves with the establishment of minimum conditions and the furtherance of the common interests of their trades.

But while recognizing that the more amicable relations thus established between capital and labor will afford an atmosphere generally favorable to industrial peace and progress, we desire to express our view that a complete identity of interests between capital and labor can not be thus effected, and that such machinery can not be expected to furnish a settlement for the more serious conflicts of interest involved in the working of an economic system primarily governed and directed by motives of private profit.

J. R. CLYNES,
J. A. HOBSON,
A. SUSAN LAWRENCE,
J. J. MALLON,
MONA WILSON.

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We have the honour to be, Sir,

Your obedient servants,

J. H. WHITLEY (Chairman)

and Committee.

July 1st, 1918.

C. I. REPORT OF A CONFERENCE OF OPERATIVES AND MANUFACTURERS ON THE POTTERY INDUSTRY WITH RESOLUTIONS ON ESTABLISHMENT OF A JOINT INDUSTRIAL COUNCIL.

NOTE

The Conference was one of a series of private and informal conferences held in different districts to discuss the industrial situation after the War.

There were present—

Manufacturers: W. ADAMS, J. C. BAILEY (Saturday only), K. BAILEY, C. E. BULLOCK, A. FIELDING, L. GRIMWADE, W. HALL, E. HAWLEY, J. TAYLOR HOWSON, L. JOHNSON, T. B. JOHNSTON, A. B. JONES, JR., E. LEIGH, S. MALKIN, S. R. MAW, P. SHELLEY, R. SHENTON, A. J. SHERWIN (Sunday only), R. WEBSTER, and MAJOR F. H. WEDGWOOD.

Trade Unionists: W. AUCOCK, H. BARKER, W. BENNETT, J. BOOTH, W. CALLEAR, S. CLOWES, T. COXON, H. DAVIES, W. ELKIN, HARVEY A. HOLLINS, J. LOVATT, W. E. MILNER, G. PEDLEY, T. PICKIN, S. STONE, W. TUNNICLIFFE, and J. WILCOX.

There were also present the Master of Balliol College, Oxford, E. S. CARTWRIGHT, A. E. EMERY and G. H. MEIR (North Staffs, Miners' Higher Education Movement), and the conveners.

Conveners: ARNOLD S. ROWNTREE, M.P., "Chalfonts," York; E. H. C. WETHERED, HENRY CLAY.

Those attending the Conference were present in an individual, and not in any representative, capacity.

This report has been adopted as a fair summary of the consensus of opinion: it does not necessarily represent the views of every member on all the subjects discussed.

REPORT.

I. *Introductory Considerations.*

1. The Pottery industry before the War was in an unsatisfactory condition. The economic returns satisfied neither manufacturers as a class nor operatives as a class. While friendly personal relations between operatives and employers or managers were more frequent than in most industries and industrial districts, the social relations of the industry were not such as to give those engaged in it the pleasure in their work that they might reasonably expect, or even to produce the harmony needed merely for efficient production. Mistrust and consequent ill-feeling was found in the relations between firm and firm, between employers and operatives, and between different sections of operatives.
2. The War—by bringing together in the common service of the community individuals and classes whose narrower interests clashed, and by creating problems for the industry which could be dealt with only by the co-operation of all who had an interest in the industry—has led to a great improvement in the relations of different firms, of employers and operatives, and of different sections of the operatives. Every effort should be made to perpetuate and improve still further these improved relations, especially in view of the difficult industrial situation with which the country will be faced after the War. A return to the status quo is impossible; relations must be better, or they will inevitably be far worse.

II. *Defects in the Industry from the Point of View of the Operatives.*

1. Earnings are too low, both absolutely and in relation to the effect and skill required by the work. The

operatives have no knowledge of the profits of the industry (see III, 1), but recognize that the low wages may be due to the low returns of the industry in general, and they would willingly co-operate in a joint effort to raise profits as well as wages.

2. Earnings are very irregular, from causes that are not under the operatives' control. Not only are they affected by seasonal and other fluctuations of the market which are outside the control of their employers, but in many factories defective co-ordination of different processes and defective equipment make earnings smaller and less certain than in the better establishments.
3. Wages are eaten into in some firms by the abuse of the apprenticeship system and by excessive stoppages.
4. The conditions of most factories, in spite of recent legislation, are unhealthy. As careful provision is needed to deal with potter's asthma as is given to the prevention of lead poisoning. In the case of lead poisoning better economic provision is needed for workers affected.
5. The attitude of some employers and managers towards the operatives is resented. The operatives are for the most part treated by them as "hands" merely; they claim to be treated as persons. The nature of the industry and the size of many of the establishments give opportunity for "driving" and petty tyranny of which the heads of the firm may be ignorant; on the other hand, there are small firms that can exist only by "driving" their "hands." Even where these specific grievances are absent, many of the operatives feel that the conduct of the industry is inconsistent with the democratic principles which are widely and passionately held in the district. They are denied the right of self-government, since they have no con-

trol of the conditions under which they work; they claim to be not "hands," instruments under the control of a superior, but partners in an important social task, with a different but not an inferior social status to their employers.

III. Defects from the Point of View of the Manufacturers.

1. The profits of the industry are small in comparison with other industries of no greater social importance, and in comparison with the Pottery industry in the chief competing countries, as was demonstrated by the official U. S. A. enquiry of 1913.
2. The industry, because of the low returns, does not attract the new capital needed.
3. The organization of production in the industry is peculiarly difficult—
 - (a) because some of the physical processes through which the material passes are not fully under control, and
 - (b) because the number of interdependent processes (58 in some branches) is so great. Certainty of results and the perfect co-ordination needed for perfectly regular production are practically unattainable in the present state of knowledge.
4. In the past it has been impossible to secure joint action among all the manufacturers in the trade for dealing with the difficulties of the trade. The unrestricted competition resulting from this has led to price cutting and indirectly to wage cutting.
5. The industry suffered before the War from unfair foreign competition.
6. Transport charges are higher from Stoke-on-Trent to all important markets than from any other Pottery centre.
7. The building by-laws hamper the adaptation, reconstruction and extension of buildings needed if advantage is to be taken of the most improved methods.

IV. Some Needs of the Industry.

1. It was unanimously agreed that the power is needed to compel all firms to observe common rules and standard conditions laid down by the representative associations of the industry. Either
 - (a) the State should give the force of law to the determinations of a joint committee or committees representative of the Manufacturers' Associations and the Operatives' Unions, or
 - (b) membership of Trade Associations and Trade Unions should be compulsory by law on all eligible for membership.

This claim is made not with the object of abolishing competition and obtaining monopoly, but of restricting competition and diverting it from price to quality and from socially undesirable practices, such as beating down wages, to socially desirable methods such as improving equipment and organization. The industry, through its representative organizations, should be able to make common rules dealing with selling prices and conditions of sale, wage rates, and conditions of work.

The essential condition of such an organization is a new spirit. The industry must be regarded as a department of the national life, existing for the double purpose of serving the community and affording the opportunity of a complete life to all the individuals engaged in it.

2. This reorganization would involve
 - (a) much greater publicity as to wages, prices, profits and conditions.
 - (b) the organization of the operatives in one union, or in such a federation of unions that it would be possible for a manufacturer or association to negotiate with all classes and grades of operatives through one agency. It was agreed that

the manufacturers should support and co-operate with the unions, and that the unions should lend all the support they could to the manufacturers' associations.

- (c) machinery by which any grievance could be ventilated without delay. This would involve
 - (1) a standing joint committee, or joint committees, representative in equal numbers of the manufacturers' associations and the operatives' unions, and,
 - (2) in the larger factories, shop committees, working within lines laid down by the committee representing the whole trade. Care should be taken to adjust the relations of these works committees to the unions, so that they should not usurp functions of the union.

3. A co-operative effort is needed to increase the economic returns of the industry. Such an increase is a condition of improved relations. Unrestricted competition had been the chief obstacle to better returns in the past. Earnings could be increased at the present rates by bringing up the organization of all factories to the level of the best, while the operatives, if their confidence were won and interest enlisted, could often contribute suggestions of value, and could be relied on to secure the increased output which better organization made possible. Increased output would pay the manufacturers by reducing the proportion of overhead charges and would make unnecessary any cutting of rates, a practice which has caused ill-feeling in the past.

4. The industry needs the Government's assistance to give greater security—

- (1) to make full and regular employment possible;
- (2) to encourage enterprise; and
- (3) to make experiment on a large scale practicable.

5. The Government should also alter its practice in the matter of contracts, and
 - (1) withdraw its opposition to every sort of agreement among manufacturers as to prices, contenting itself with requiring evidence that the costs of the industry justify the prices asked;
 - (2) in placing contracts, allow for the better conditions of work which English law requires in English factories as compared with foreign factories; public authorities in England should be prepared to pay the higher prices which the higher standards cause;
 - (3) lessen the term of its contracts, and give up the practice of specifying goods so different from ordinary market demands that Government contracts cannot be fitted into the ordinary work of a firm.

It was thought that representatives of Government departments would profit by attendance at such conferences as the present, since they badly need educating in the conditions and difficulties of this (and every other) industry. Association in the trade is needed to secure fair treatment from the Government, and the right to manage the affairs of the industry without the interference of people who do not understand it.

6. There is room for a great deal of enquiry and research, which might be done partly by the Government, but must largely be a co-operative effort of the people in the industry. The chief objects would be—
 - (1) full and reliable statistics of wages, profits, markets, costs; an essential first step in the devising of scientific and practical costing systems. The collection and analysis of disease and mortality statistics is equally important:

- (2) a more thorough knowledge, based on both laboratory and practical experiments, of the processes and materials of the manufacture:
 - (3) the discovery of more health processes and materials.
7. A revision of wage rates is needed and the establishment of new lists based on uniform and systematic principles and subject to no stoppages or deductions.
 8. A reform of the apprenticeship system is needed.
 9. An educational campaign is needed to secure better observance of precautions against disease; methods need to be devised by which compensation charges could be placed on the industry as a whole, instead of on particular firms.
 10. Great care in the selection of foremen and managers is needed, to ensure that no one shall be appointed who does not possess both technical knowledge and the requisite moral qualities. An operative should never be dismissed without a hearing by the head of the firm.

V. Conclusion.

Joint consideration of the problems of the industry is desirable for the following reasons:

- (1) The association of manufacturers and operatives with their different experiences and points of view would prove highly educational.
- (2) Frequent meeting and frank discussion is the only way to dispel unnecessary distrust and suspicion.
- (3) It would be conducive to good relations, which are essential to efficient and economical production in the Pottery Industry.
- (4) It would do something to meet the claim of the operatives to be treated as partners in a social enterprise, not merely as hands in a profit-

making concern, and would give an outlet for the interest they feel in the industry as a whole.

VI. Executive Resolutions.

1. That it be a recommendation from this informal meeting of manufacturers and operatives in the Pottery industry that steps should be taken to form a National Council of the Pottery Industry.

That with this object in view the members present of Trade Associations and Unions be asked to bring the matter before their respective organizations at an early date, and, if support is accorded to the proposal, move the appointment of delegates to a joint conference of all the Trade Associations and Unions to consider the proposal and appoint a representative committee to draft a scheme.

That Mr. Llewellyn and the Secretaries of the Unions be asked to act as conveners of this formal and official conference.

2. That Messrs. A. B. Jones, E. Leigh, S. R. Maw, S. Malkin, J. Lovatt, W. Callear, A. Hollins and T. Coxon be appointed a committee to revise and pass the report of the present conference.
3. That Messrs. Adams, J. C. Bailey, J. T. Webster, K. Bailey, E. Hawley, S. Malkin and Major Wedgwood, with seven operatives to be selected by the Trade Union members present, and Mr. H. Clay as secretary, be appointed a committee to prepare a mémorandum on "Demobilization as it affects the Pottery Industry" for discussion at a future meeting.

C. II. OBJECTS AND CONSTITUTION OF THE NATIONAL COUNCIL OF THE POTTERY INDUSTRY.

Incorporating the principles contained in the Interim Report on Joint Standing Industrial Councils issued by the Reconstruction Committee. (The Whitley Report).

Secretaries (*pro tem*)

Employers: Mr. ARTHUR P. LLEWELLYN,
Piccadilly, Tunsall, Staffs.;

Operatives: Mr. ARTHUR HOLLINS,
National Society of Pottery Workers,
Hill Street, Hanley, Staffs.

OBJECTS

The advancement of the Pottery Industry and of all connected with it by the association in its government of all engaged in the industry.

It will be open to the Council to take any action that falls within the scope of its general object. Its chief work will, however, fall under the following heads:—

- (a) The consideration of means whereby all Manufacturers and Operatives shall be brought within their respective associations.
- (b) Regular consideration of wages, piecework prices, and conditions with a view to establishing and maintaining equitable conditions throughout the industry.
- (c) To assist the respective Associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed.
- (d) The consideration and settlement of all disputes between different parties in the industry which it may

not have been possible to settle by the existing machinery, and the establishment of machinery for dealing with disputes where adequate machinery does not exist.

- (e) The regularisation of production and employment as a means of insuring to the workpeople the greatest possible security of earnings.
- (f) Improvement in conditions with a view to removing all danger to health in the industry.
- (g) The study of processes, the encouragement of research, and the full utilization of their results.
- (h) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople and for the adequate safeguarding of the rights of the designers of such improvements.
- (i) Education in all its branches for the industry.
- (j) The collection of full statistics on wages, making and selling prices, and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study and promotion of scientific and practical systems of costing to this end.

All statistics shall, where necessary, be verified by Chartered Accountants, who shall make a statutory declaration as to secrecy prior to any investigation, and no particulars of individual firms or operatives shall be disclosed to anyone.

- (k) Enquiries into problems of the industry, and where desirable, the publication of reports.
- (l) Representation of the needs and opinions of the industry to Government authorities, central and local, and to the community generally.

CONSTITUTION

- (1) MEMBERSHIP. The Council shall consist of an equal number of representatives of the Manufacturers and the Op-

eratives; the Manufacturers' representatives to be appointed by the Manufacturers' Associations in proportions to be agreed on between them; the Operatives' representatives by the Trade Unions in proportions to be agreed on between them. The number of representatives on each side shall not exceed 30. Among the Manufacturers' representatives may be included salaried managers, and among the Operatives' representatives some women operatives.

(2) HONORARY MEMBERS. The Council to have the power to co-opt Honorary Members with the right to attend meetings or serve on committees of the Council, and to speak but not to vote.

(3) RE-APPOINTMENT. One-third of the representatives of the said Associations and Unions shall retire annually, and shall be eligible for re-appointment.

(4) OFFICERS. The Officers of the Council shall be:—

(a) A Chairman and Vice-Chairman. When the Chairman is a member of the Operatives, the Vice-Chairman shall be a member of the Manufacturers, and vice-versa. The Chairman (or in his absence, the Vice-Chairman) shall preside at all meetings, and shall have a vote, but not a casting vote. It shall always be open to the Council to appoint an Independent Chairman, temporary or otherwise.

(b) Such Secretaries and Treasurers as the Council may require.

All Honorary Officers shall be elected by the Council at its annual meeting for a term of one year, and, subject to the condition that a Chairman or Vice-Chairman from the said Associations shall be succeeded by a member of the said Unions, shall be eligible for re-election. The Council may from time to time fix the remuneration to be paid to its Officers.

(5) COMMITTEES. The Council shall appoint an Executive Committee, and Standing Committees, representative of

the different needs of the industry. It shall have power to appoint other Committees for special purposes, and to co-opt such persons of special knowledge, not being members of the Council, as may serve the special purposes of these Committees. On all Committees both Manufacturers and Operatives shall be equally represented. The minutes of all Committees shall be submitted to the National Council for confirmation.

Each Committee shall appoint its own Chairman and Vice-Chairman, except in the case of the Finance Committee, over which Committee the Chairman of the National Council shall preside.

(6) FINANCE. The ordinary expenses of the Council shall be met by a levy upon the Manufacturers' Associations and the Trade Unions represented. Special expenditures shall be provided for by the Finance Committee.

(7) MEETINGS. The ordinary meetings of the Council shall be held quarterly. The annual meeting shall be held in January. A special meeting of the Council shall be held on the requisition of ten members of the Council. Seven days' notice of any meeting shall be given. Twenty members shall form a quorum. Committees shall meet as often as may be required.

(8) VOTING. The voting upon all questions shall be by show of hands, and two-thirds majority of those present and voting shall be required to carry a resolution. Provided that, when at any meeting the representatives of the unions and the associations respectively, are unequal in numbers, all members present shall have the right to enter fully into discussion of any matters, but only an equal number of each of such representatives (to be decided amongst them) shall vote.

C. III. FIRST MEETING OF THE POTTERY COUNCIL, JANUARY 11, 1917, AS DESCRIBED IN MANCHESTER (ENGLAND) GUARDIAN, JANUARY 12.

The pottery trade is the first to appoint a joint standing industrial council on the lines of the report of the Whitley committee to the reconstruction committee, and at its first meeting which was held in Stoke to-day, this council had the advantage of the presence of the Minister of Reconstruction (Dr. Addison) and the Minister of Labor (Mr. G. H. Roberts).

In appealing for the formation of such councils in every industry, the Government held out the inducement that they would be regarded as "the official standing consultative committees to the Government on all future questions affecting the industries they represent," and as "the normal channel through which the opinion and experience of an industry will be sought." Mr. Roberts has added the promise that by their means it will be possible also to allow a larger degree of self-government in industry than exists at present; and in his address to the council yesterday Dr. Addison showed in detail how very useful they will be in assisting the Government in vitally important problems of reconstruction after the war, such as the introduction of improved methods of manufacture, the rationing of raw materials wherever there is a shortage, and the giving of priority of consideration to those things which will be needed first.

The Whitley committee refrained from drawing up a cut-and-dried scheme for general application to all industries, but made a number of suggestions, and, substantially, these have been incorporated in the objects set out by the new national council of the pottery industry. They include the bringing of all manufacturers and operatives into their respective associations, the "regular" consideration of earnings and the es-

tablishment and maintenance of equitable conditions throughout the industry, the maintenance of selling prices that will afford reasonable remuneration to employers and employed, the settlement of all kinds of disputes, the removal of all dangers to health from the industry; the study of processes, encouragement of research, and the full utilization of their results; the utilization, under adequate safeguards, of inventions and improvements designed by workpeople, education in all branches of the industry, the publication of reports on problems of the industry, and, generally, "the advancement of the pottery industry and of all connected with it by the association in its government of all engaged in the industry."

Dr. Addison expressed some disappointment yesterday at the slowness of other trades in forming industrial councils. But it was probable, he said, that the pottery council would still be in process of formation had not employes and workpeople begun to move in the matter months before the Whitley committee made its report.

Maj. Frank H. Wedgwood, who presided at the meeting, gave as two reasons for this the great concentration of the industry in the Stoke district and the fact that in the pottery trade nearly all the factories are on a small scale, with the result that employers and workers are brought into closer personal contact with one another. All sections of the industry in the United Kingdom are included, excepting the coarser makes of stoneware, such as flooring and roofing tiles. The number of employers is given as between 400 and 500, and the number of workers as about 50,000.

The council consists of 30 representatives of employers and an equal number of operatives. Under the constitution the employers' representatives may include "salaried managers," and those of the operatives "some women." One-third are to retire annually, but may be reappointed. The council may appoint an independent chairman, but yesterday it elected Maj. Wedgwood, managing director of the well known firm of Josiah Wedgwood, and appointed Mr. S. Clowes, one of

the operatives' organizers, vice chairman. In time district committees and works committees will probably be appointed, but on all such bodies the representation of manufacturers and workers is to be equal. On the same principle the secretarial duties are divided between Mr. Arthur P. Llewellyn, of Tunstall, and Mr. Arthur Hollins, of Hanley.

It is noteworthy that, at a meeting at which there were as many employers present as operatives, general acclamation was given to such remarks by Dr. Addison as that every employer should be in an employers' association and every workman in a trade union; that labor must be assured of a fair proportion of the reward arising out of the introduction of improved methods of manufacture; and that there must be no "unholy alliance between capital and labor at the expense of the consumer."

(*Here followed a quotation of "Objects of the Council."*
Printed in this pamphlet under C. II.)

C. IV. OPERATION OF WORKS COMMITTEES; PARTIAL REPORT OF AN ENQUIRY MADE BY MINISTRY OF LABOUR.

I.—INTRODUCTION.

The extent of the existence of Works Committees before the war is largely a matter of definition. Our estimate of their scope will vary according as we give the term a wide interpretation, or confine it to committees representative of all the workpeople in an establishment. Works Committees in this latter sense of the term existed before the war in various industries, and in some instances they had been in existence for many years. If the term is interpreted in a wide sense, and taken to include various kinds of committees, such as those representative of individual trades or departments, or those which have come into existence at particular times and for limited purposes, the number in existence before the war is greatly increased. In certain industries, however, notably engineering, the conditions of war have produced such a change in both the form and function of workshop organisation, that the discussion of the general idea of Works Committees may be said to have developed out of those conditions. Since, however, the Works Committee, on the whole, springs from the common methods of trade union organisation inside the workshop, as they existed long before the beginning of the war, some reference to these methods is necessary as an introduction to this report upon some of the committees which are now in operation.

Before this works organisation is considered, it may be noted that certain of the immediate causes which have led to the rise of works committees during the war—the methods of remuneration (piecework or profit-sharing or bonus on output), welfare, collections for charity, and, to some extent, dilution also—were already operative in the formation of earlier Works Committees.

Works Committees before the War.

The majority of Trade Unions have official shop stewards, though these officials may be known by some other name—such as “shop delegates,” “works representatives,” “collectors,” “yard committee-men,” or in one case at least, “works directors.” In certain cases also the name committee—Watch or Vigilant Committee—is attached to the body of shop stewards in an establishment. It may even be said that the Works Committee is older than trade unionism; the “chapel,” for instance, (the ancient organisation of the workmen in each printing office), goes back much farther than the end of the 17th century. Such shop clubs were not confined to any one industry. They were, however, quite different things from a works organisation formed of representatives of permanent Trade Unions, and would now be represented by a committee of workers in a non-Union shop. To-day the duties of the “chapel,” as laid down in the rules of various unions in the industry, include those discharged by shop stewards in many other trades. Apart from (1) functions obviously intended to sustain the fabric of the Trade Union—the collection of dues, the interrogation of defaulters and newcomers, and the like—the duties of the shop stewards are stated in the rules of different Unions to include (2) the regular supply to the branch or district committee of information respecting any encroachment upon recognised Trade Union conditions, participation in deputations to the management in connection with grievances, the calling of shop meetings of the members to discuss grievances, &c. The stewards are in one case held “responsible for the conduct of the shop according to rules.” The actual degree of organisation of the shop stewards varies among the Trade Unions. In some cases all the shop stewards of a Union in a district hold regular meetings once a month with the district committee of the Union. Certain Unions supply their shop stewards with official cards. In other cases, however, there is no regular machinery for consultation between the shop stewards and the

Union officials, and no certificates of official recognition are supplied to the shop stewards. There is variety also in regard to the election and the deposition of shop stewards; some hold office for a definite period, while others may be deposed at any time. Most commonly the election is made in the department by the men of the Union, though there are cases in which appointment to the office is made by Trade Union branches.

(1) In regard to the first-mentioned duties of shop stewards—the collection of subscriptions and the examination of credentials of membership—two facts may be noted. The first is that such methods of organisation are not confined to workers whose daily work is done in a fixed establishment, but are also used on certain forms of more or less migratory work, such as building construction. The “ticket” steward commonly examines new men taken into employment on a building job. The second fact to be noted is that in certain industries, in a number of areas, a regular system of Works Committees, linked together in district organisations, had developed several years before the war for the purpose of the more efficient achievement of these objects.

(2) But both in theory and in practice the work of shop stewards—or of committees of shop stewards—has generally extended beyond these functions. As an example of practice, the apparently unsuitable case of building work may first be taken. Committees—somewhat loosely organised it may be, but nevertheless committees, and so considered by those responsible for their formation—have been formed in the building trade; and the scope of these committees has embraced the second and wider class of duties mentioned above. It has for years been common in certain districts for the “ticket” stewards on a big building job to come together and to elect a secretary, who in some cases (it may be noted) has been a representative of the labourers. Such a committee of stewards may make representations to, or be consulted by, the employer on questions such as the proper allocation of work in order that

sufficient inside operations may be reserved for wet weather. Another question which such committees have been known to bring forward is that of extra payment in consequence of the inconvenient situation of some particular job. (This, perhaps, is strictly Trade Union business.) In demanding adequate provision for the heating of tea cans and for the enjoyment of meals such committees may be said to have anticipated in their own way the modern Welfare Committee. In many industries the same combination of shop stewards and the same practice of making united representations to the employer—a practice not necessarily “recognised”—have been attempted at different times and with varying degrees of success. In some cases in which such methods have been successfully applied in engineering and shipbuilding the initiative has come from the side of the management. It remains true, of course, that the shop steward system up to the present has been in the main only a trade system, and that the committees formed under it can be classed under Works Committees only if the term is given the wide scope mentioned at the beginning of this report. If the term is used in this wider sense, committees will be found to have existed for many years in a number of industries where piecework is in operation. Some of these are dealt with in a later paragraph.

Another of the functions of shop stewards—the calling of shop meetings—appears to form the basis of a system of Works Committees in certain industries, which include, at any rate in some districts, the furnishing trades. The shop meeting, for which the rules of most Trade Unions make provision, is a meeting of the members of a Union; but the term has another meaning which has gained currency during the war—viz., a meeting of all the trades in a works—and it is interesting to note that, in part, at least, of the furnishing industry, this has long been the recognised meaning. Here the meetings are regular (monthly), and the stewards, not necessarily drawn from all the trades, make their report about membership and

the like. The shop stewards in a furnishing works may in this way form a Works Committee with a secretary. At the same time it would appear that for the settlement of piece prices certain Unions in the furnishing trade, such as that of the upholsterers, work through their own shop stewards.

Committees for the arrangement of piece prices, which are found in a great variety of industries, are convenient examples of (*a*) trade or departmental organisation as contrasted with works organisation; and (*b*) the informal nature and composition of many committees. In regard to (*a*), the method of the upholsterers has already been mentioned. Usually there are only a small number of upholsterers in any one establishment; fifteen would mean a very considerable firm. In smaller establishments the shop steward or stewards of the Union usually carry through the negotiations for any new work not covered by the shop "log," or list of piece prices. If they are unsuccessful, the full-time Trade Union official comes into the bargaining operations. In one establishment, however, in which an exceptionally large number of upholsterers are employed in several departments or "floors," the Departmental or Trade Committee has been in existence for many years. This is composed of all the stewards—three elected from each of the "floors"—and from this committee again three head stewards are chosen. For the particular work of any floor the appropriate stewards undertake the preliminary negotiations; but if these are unsuccessful, the question in dispute will come before the committee, and be dealt with by the head stewards in consultation with the management before it is—probably with the assent of a shop meeting—given into the hands of the Trade Union official. The pottery industry supplies examples of both (*a*) and (*b*). Pricing Committees are found in most sections of the trade; and there may be several committees in a single factory. In the sanitary trade a standing committee is usual. In many factories, however, the method employed is for the operative concerned to call in two or three mates to assist him in arranging the price of a new job. The men called

in need not be the same on each occasion. The existence of several committees in one factory may be exemplified by an establishment in the Jet and Rockingham branch of the industry, in which there have been for many years Pricing Committees for jiggers (makers), turners and handlers. In this case none but Trade Unionists can sit on the committee; but this is by no means a universal rule. In works, however, in which there are Trade Unionists the practice is to elect to the committee one (or more) of them, who is expected to serve as a connecting link between the committee and the District Committee of the Trade Union.

The position of the "chapel" in relation to the London compositors' scale is an old and well-established case of a works organisation taking part among other functions in the regulation of piecework.

In other trades in which piecework is in operation, and where complete standardisation of lists has been found impracticable, methods more or less similar to those mentioned above are found. In this connection the development of Works Committees in engineering establishments during the war is significant. The engineering trades have always resisted piecework; but, at the same time, they have generally bargained on an individual basis for any work done on this system. The extension of piecework and the growth of the method of collective bargaining in the shop—by Works Committees or stewards—have gone on side by side; and it would appear that, to a considerable degree, the one is the immediate cause of the other. Even in industries in which price lists for piecework are used there are commonly occasions on which a particular job is not covered by the list, and in certain cases jobs cannot be listed at all. In this connection it may be noted that in mining the *method* of joint pit committees—as well as the Joint District Board—has been in operation in certain districts for a long time, and the method is embodied in the rules of various districts under the Coal Mines (Minimum Wage) Act of 1912. In several districts disputes as to whether a workman has for-

feited his right to the minimum must be discussed by two officials of the mine and two representatives of the local lodge of the Union before they are taken to the district Joint Board committee, and in one district the representatives from each side are four in number.

The fact that in many mining districts the Trade Union branch—or lodge—is composed only of the men working in one pit makes the Lodge Committee in effect a Pit Committee. It is not a complete Works Committee—in the stricter sense of the term—except in those places in which the enginemen and certain other workers, who commonly belong to other Unions, are members of the local Miners' association. The tendency of certain other Unions—*e.g.*, those in the iron and steel industry—to organise on the basis of the works is interesting from the same standpoint.

It may be noted that in many cases Conciliation Boards are really Works Committees. This is so when the joint board is composed of representatives of the workpeople in one establishment and of members of the firm. Such boards—with varying degrees of connection between the workmen's side and the Trade Unions—have been formed in individual establishments belonging to a variety of industries.

Nomenclature.

A distinction must be drawn between "Works Committees" and "Shop Committees." The former cover the whole of a works (or even, in some cases, the whole of two or three contiguous works); the latter cover a particular department or shop in a works. Among Works Committees it is possible to distinguish three varieties. The first and main variety may be called the "Industrial Committee." Such a committee, generally constituted on a Trade Union basis, deals with particular questions affecting the conditions and remuneration of labour in a given works—questions of principle being reserved for the district or national organisations concerned. It is this variety which, being the most important, is often called by the

general name of Works Committee. A second variety may be called the "Welfare Committee." Such a committee, representing as a rule all the workers in a given works, deals with what may be termed works amenities—ventilation, sanitation, and the like. A third variety, which may be merged with the second, or may be distinct, is the "Social Union," or, more exactly, the committee governing the Social Union, where one exists, of the workers employed in the same establishment. Such a committee is concerned with games, recreations, study-circles, picnics and the like.

Apart from these main types there are, of course, local varieties of all sorts. There may be, for instance, a separate "Mess-room Committee"; or, again, there may be a separate "Woman's Committee." There may be a committee peculiar to a small section of workers (*e.g.*, tool-makers), which handles a large and important area of functions in regard to those workers. Finally, even though there is no regular or standing Works Committee, it may be the case that committees are created *ad hoc* whenever an important question arises in a works, and that these committees are consulted by the management with a view to settling such questions. This indeed is the procedure followed in some of the works where the relations of management and men are most amicable. In some cases the committee so formed consists of the shop stewards of the separate trades.

It may be added that some committees are "joint," and embrace representatives of both men and management, meeting together in regular session; while others (and this is the general rule) are committees of workmen only, but meet the management from time to time (sometimes regularly, and sometimes occasionally; sometimes directly, and sometimes through their chairman or secretary) to settle grievances and to give or receive information.

Various names have been applied to committees formed during the war, particularly to those formed to deal with such

questions as timekeeping. Among the names are "Workers' Advisory Board," "Works' Tribunal," "Vigilant Committee," and "Works' Council."

II.—ORIGINS AND INFLUENCE OF WAR DEVELOPMENTS.

The causes which have brought Works Committees into existence during the war, and the circumstances attending their origin, are naturally very different. A classification of origins may, however, be attempted under the following heads:—

- (1) Shop stewards.
- (2) Dilution.
- (3) Methods of remuneration.
- (4) Timekeeping.
- (5) Welfare.
- (6) War charity.
- (7) Other causes.

Shop Stewards.

To a very considerable extent the first three headings must be treated together. This is particularly true of engineering works. It has already been pointed out that shop stewards with a considerable range of duties were a normal feature of Trade Union organisation before the war. It has also been seen that, though for the most part these stewards acted only for their own separate organisations, this was not their only method of operation. One effect of the war has been to enhance the position and prestige of the shop stewards. The loss of the right to strike has depressed the position of Trade Union officials, who were thus deprived of the chief weapon they controlled and, if they had organised strikes, would have been liable to prosecution. Under these conditions the shop stewards, more unknown and therefore less exposed, began to exercise more power. Nor was this all. In an industry such as engineering, questions of dilution and, again, of payment by results raised matters of detail which needed some shop machinery for their solution. Such questions often concerned the members of several Unions in the same establishment; and the

common interest of men working side by side often led to concerted action. Though many Works Committees instituted during the war can be traced to one or other of these sources, and though most of the committees thus called into existence may be said to have worked to the satisfaction of all grades of workpeople, it is true that in certain cases the question of dilution has produced committees of shop stewards with conflicting interests. In certain places two committees have been formed, one composed of the shop stewards of the skilled trades, and the other confined to the stewards of the Unions representing the unskilled and semi-skilled men.

It may be added that this tendency among workpeople to bring their organisation more closely to bear upon workshop conditions is to be seen in industries which have been much less affected by the war than engineering. The tendency preceded, but has been strengthened by the war.

Dilution.

To gain the consent of the National Unions was not in itself enough to settle the question of dilution; for it is obvious that in a complicated trade such as engineering, with its many varieties, questions of detail might arise in almost every works which needed some machinery for their solution. This has led to the introduction of Dilution Committees in many establishments. These committees, consisting of representatives of the workers (mainly, of course, the skilled workers), discuss with the management on what machines or processes, to what extent, and under what conditions dilution shall be introduced. Committees of this character, dealing with an important range of economic questions, have often been led to raise other questions than that of dilution, and to bring forward for discussion with the management, with which they were being brought into constant contact by the problems of dilution, questions and grievances of a general character. Sometimes the committee has remained in name a Dilution Committee, while it was in reality a Works Committee. Sometimes a definite change has

been made, and the Dilution Committee, with more or less change in its composition, has been turned into a Works Committee. In any case, the problem of dilution has been one of the most potent forces in forwarding the movement towards Works Committees. Though there has been a marked tendency for Dilution Committees to develop into Works Committees, it may be noted that in one or two cases the Dilution Committee was formed after, and as a sub-committee of, the Works Committee.

The importance of the connection between a Works Committee and the Trade Unions is indicated by complaints that Dilution Committees' negotiations have violated Trade Union agreements.

Methods of Remuneration.

One of the necessities of the war has been to increase output and one method which suggested itself for this purpose was that of payment by results in trades where timework was the normal practice. In many trades any system of piecework is very unpopular, and, in the past, has been strongly opposed. This is true of engineering, where the Unions had left any piecework which was introduced to the control of individual bargaining. The rapid extension of piecework in such trades has led to a variety of forms of collective bargaining. In some establishments a new piece-price is submitted to the Works Committee before it is discussed with the individual workman. In others an Appeals Committee has been instituted to consider and bring forward complaints against piece-prices or premium bonus times fixed by the management. In others, again, something on the lines previously mentioned as existing in parts of the pottery industry has been developed; and prices have been discussed, not with the individual workman, but with the workman and two or three of his mates on similar work. In other establishments various forms of collective or group bonus on output (or output value) have been adopted; and in some of these cases committees have been formed either temporarily,

in order to discuss the introduction of the new method, or permanently, in order to supervise its workings. In other cases committees have been formed to deal with timekeeping bonuses or profit-sharing schemes.

Committees connected with methods of remuneration are not, in themselves, Works Committees proper. They may be committees representing only a small section of the establishment (*e.g.*, the toolmakers), while the rest of the workmen in the establishment are not concerned and are represented by no committee. They may, again, be partial in scope as well as in membership, and deal with no other matters than that of a bonus. This, however, is unlikely and seems unusual. A committee connected with a bonus system often comes to embrace a wider scope, and will bring forward, or be consulted by the management about other matters.

Timekeeping.

Committees whose sole function, or one of whose main functions, is the improvement of timekeeping, have been instituted in the coal mining industry, at the ironworks in Cleveland and Durham, and in a number of engineering and munitions factories. The Pithead, or Output, or Absentee, Committees, as they are variously called, commonly deal with the negligence of mine officials as well as with cases of absenteeism. The committees at the Cleveland and Durham blast furnaces are confined to the one function of improvement of time-keeping.

Welfare.

The strain of the war has introduced conditions which have made it necessary to consider ways of promoting the physical welfare of the workers. Long hours have been worked; night shifts have been added to day shifts; workshops have sometimes been crowded; the introduction of women workers by the side of men, in occupations where women had not previously been employed, has raised a number of questions.

Matters such as the best distribution of working hours, the provision of canteens and mess-rooms, and the improvement of ventilation and sanitation, have all demanded attention. On such matters, where the interest of the workers is paramount, the simplest course is obviously to consult them, and to receive their complaints and suggestions through their own accredited representatives. This course has been adopted in a number of establishments; and the result has been the institution of a Welfare Committee, which has eased the situation by removing, or preventing the rise of, a number of grievances. The workmen have thus been allowed a voice in regard to the conditions under which they labour, and these Welfare Committees, though they can hardly be called Works Committees, may be said to prepare the ground. They serve to engender something of a spirit of community in the works, and to help the workmen to feel that they have a common interest as workers in the same establishment.

War Charity.

In several cases (for instance in the Glasgow district) committees have been formed to administer funds raised in the works for the purpose of helping dependents of workmen who have joined the Colours. These committees form a germ which may develop, and here and there has developed, into Works Committees capable of entertaining grievances or raising general questions and bringing them to the notice of the management. Where the firm has subscribed to the works' fund, and has been represented on the Committee of Management, the nucleus of a Joint Committee is obviously present.

Other Causes.

In much the same way committees formed in an establishment for social purposes prepare the ground, if they do nothing more, for the institution of Works Committees. They help to create the habit of common action through representatives; and accustoming the men of different crafts and different

Unions to act together for purposes of a social nature, they gradually lead to the adoption of the idea that a certain range of industrial questions may be treated in the same way. In some of the best establishments which have recently instituted Works Committees the success of these committees is largely attributed to the work which committees of a social character have done in preparing the ground.

It is believed that the ways indicated are those in which Works Committees have mainly tended to arise. In a subject of such variety, however, it is impossible to make any exhaustive enumeration. Often the institution of a Works Committee is due to the initiative of an employer or manager who desires to give the workpeople a larger control over working conditions or who finds that his task is greatly eased if he can deal with an accredited representative of the workmen. Sometimes a committee may have arisen in connection with a particular dispute and for negotiating a settlement, and may then, in the issue, be adopted as a permanent mode of working. In certain cases during the war, as before it, the creation of a Works Committee has been one of the terms of settlement of a dispute.

III.—CONSTITUTION.

The constitution of a Works Committee naturally varies with its functions. A Welfare Committee, handling questions in which the difference between unionist and non-unionist workmen, or again the difference between different Unions of workmen, hardly arises, will tend to be composed of representatives of all the workers, elected without regard to differences of craft or grade or occupation. An Industrial Committee, handling as it does questions in which differences of skill or of craft are concerned, will involve a new range of considerations. It may be necessary to consider the relation of such a committee, if one is instituted, to the existing industrial organisation of the workmen in the works in the shape of shop stewards or delegates; and, again, it may be necessary to consider whether management and labour should sit together as a Joint Committee (and, if so, in what proportions), or whether the Works Committee should be one of the workers only, with opportunities of ready access to the management—and ultimately, it may be, to the directors—when such access is desired.

The last point may be taken first. Joint Committees are rare. There are some committees of this nature, containing two or three representatives of the management and about a dozen representatives of the workmen, which meet at regular intervals—in one case from week to week, but more often at longer intervals. Even when the Committee is a Joint Committee, however, some provision has generally to be made for separate meetings of the representatives of the workers; and, as a rule, Works Committees appear to be committees of the workers only, with regular facilities for consultation with the management, either at fixed intervals or whenever occasion arises, Joint Committees may ultimately come to be the normal form, but in the preliminary stage of development it seems likely that committees of workers only, with regular facilities

for access to the management, will generally be the form adopted.

Where the committee is a Joint Committee, the idea of the joint meeting is probably first mooted by the management; and unless the workers' side is already in existence the management may suggest the basis of composition and the methods of selection of the committee. Where, however, the committee is a committee of workmen only, it is advisable (whether the idea of such a committee is suggested by the management or develops spontaneously among the workmen), that the workmen should be left to determine the basis of its composition and the method of its election for themselves.

Two main methods appear to prevail in regard to the composition of a Works Committee of the second type mentioned above.

(a) The committee may be elected by all the workmen employed, each department or shop being treated as a constituency, and returning a number of members, perhaps in proportion to its size. This appears to be the simplest method and is found even in works in which the workers have already an industrial organization in the shape of shop stewards or delegates. This is the case in most works, and in such cases it may be advisable to build on the existing organisation. This brings us to the second main possibility.

(b) The committee may be a committee of the shop stewards of the different Unions represented in the works, or, in a large works where shop stewards are numerous, a committee elected by the shop stewards. In one works, for instance, which employs about 3,000 workmen, the Works Committee (in this case a Joint Committee) contains 12 representatives of the workmen elected by the shop stewards (some 40 in number) of the various Unions represented in the works. In another works a committee of seven shop stewards meets the management monthly and discusses questions which its members and the management have asked to have placed on the agenda.

The two methods which have just been described represent the two possibilities at either end of the scale; but various methods may be employed which combine, or come as it were between, these two possibilities. Even where the committee is elected by all the workmen, unionist or non-unionist, voting by departments, the tendency, if the works is strongly unionist, is towards the election of representatives who are all unionists, and are also, either altogether or in part, shop stewards of their unions. In one works with 4,000 workmen the Works Committee of 21 members, elected by a general vote of the men workers, is entirely composed of shop stewards. In another works, with 3,500 workmen, in which a Works Committee has existed for about 10 years, all the workmen in any department may vote, but only unionist workmen can be elected, and half of the members of the Works Committee are shop stewards.

Another method which deserves special notice is that of election on the basis of Unions, all the members of a Union in the works electing a certain number of representatives. The number of members to which a Union is entitled may vary in direct proportion (or in some other way) with its membership in the works. Thus, in a scheme under consideration for an engineering works, representation on this basis gives seven members to three General Labour Unions, eight members to the largest Union of skilled men, two members to each of two other Unions of skilled men, and one member to each of seven other skilled Unions. This method—since in an engineering establishment the members of a Union may be distributed through several departments, in each of which there may be a shop steward or stewards of the Union—is not necessarily identical with that in which the shop stewards of the different Unions in each department form the committee. In several iron and steel works the method of election appears to be by the members of each *branch* of a Union who are working in the establishment.

In one such case the right to representation is stated to

belong to the branch because it has members in the works. The statement, however, is qualified in order to cover the case of a Trade Union branch—*e.g.*, of the Amalgamated Society of Engineers or the Bricklayers' Union—only some of whose members may be employed in the particular works. In their case only the members of the branch employed in the works make the appointment; and from the nature of the case the representative so appointed is almost bound to be the person acting as shop steward for the Union in the works. This, combined with the fact that the branches of the iron and steel Trade Unions correspond to sections or departments of workers in a single works, makes such branch representation similar to departmental representation. Another feature of this system is that the secretary of any branch who is working in the establishment—that is almost bound to be the case with branches the membership of which is confined to the works—is, *ex officio*, a member of the committee. The draft proposals for representation now being discussed by the shipbuilding trades in one district are to the effect that each Works Committee should be composed of a certain number of representatives from the men of each trade or Union employed in the yard, and that among the representatives of each trade or Union one at least should be an official shop steward. Some of the Unions in the ship-building industry include, it may be noted, several trades, and the official yard delegates (or shop stewards) of the several trades in one Union often form a Yard Committee for such functions as the inspection of Union cards.

Other methods found in practice are election of all the members by the whole of the employees in an establishment voting as one constituency, and election by occupations or trades.

In some works there is one committee for skilled men and another for unskilled or semi-skilled. In several large engineering establishments, for instance, there are two Committees of Shop Stewards, one for craftsmen, and another for semi-skilled men and labourers. Generally, however, there is only

one committee for both sets of workmen. The persons elected to such a committee are in certain cases drawn solely from the ranks of the skilled craftsmen, though there may be unskilled men (and stewards of unskilled Unions) in the works. The exclusion of any *direct* representation of the unskilled men in such circumstances is generally due to the same cause as the absence of any direct representation of the smaller craft Unions, *viz.*, the fact that a department's representative tends to belong to the Union which has most members in the department. There are certainly cases in which this apparent exclusion of representation of the interests of the unskilled is a source of friction between the different classes of workers; and the presence in some works of separate committees is the extreme expression of such difference in interest. It is argued that the unskilled men—though they may be excluded by exactly similar circumstances—are in a different position from a minority of skilled men who may be excluded from direct representation, in that the interests of the latter, being akin to their own, are better understood by, and receive more sympathetic consideration from, the skilled men on the committee. It would nevertheless appear that most committees appointed on a departmental basis do succeed in representing fairly the interests of all their constituents; and it is claimed that the committee member tends to look upon himself not as the representative of a particular craft or section in the department, but as the representative of the department as a whole.

The position of women workers is in some respects analogous to that of unskilled workmen. In some cases they have a vote for the Works Committee elected by the various departments, and they may have a representative of their own on that committee; in other cases representation is secured to women's departments as such. Sometimes, even where women are excluded from voting, the Works Committee may represent their interests; and it may entertain and bring before the notice of the management grievances of women workers and questions affecting their interests and the conditions of their

labour. Occasionally, though this is rare, there is a separate committee to represent the interests of women workers.

From what has been said it is obvious that the constitution of a Works Committee raises a number of questions. (1) In the first place, there is the question whether the committee should be based on the industrial organisation of shop stewards, where such organisation is in existence, or should be based on a general vote. (2) In the next place, assuming the latter alternative to be adopted, there is the question whether all the workers should vote, and, if so, how the constituencies should be arranged, or whether only unionist workers should vote, and, if so, how and in what proportions the different Unions should be represented. (3) Further, there is the question whether there should be a single committee, or one committee for skilled and another for unskilled workers; and (4) finally, there is the question whether women workers should have a separate committee or be represented through the general committee of the works.

No general answer can be given to any or all of these questions. The circumstances of different works vary, and each type has to find its own solution.

Wherever it is possible, a committee of shop stewards or Trade Union representatives would appear to be the best solution. At the same time, it is important to secure that the size of the committee, while large enough to be representative, should not be so large as to make it unwieldy, and that, as far as possible, there should be direct representation of each department. The size of the committees actually in existence varies; some committees have 12 members, some have upwards of 30. The smaller number seems more likely to be effective. It may be necessary, therefore, that a Works Committee, if it contains a large number of members, should appoint a smaller committee of itself; and that, while the management should be in regular contact with the smaller committee, questions of difficulty should be referred by the smaller committee to the larger, the management meeting the larger committee in case

of need. In its choice of the smaller committee the Works Committee could allocate a place, or a number of places, to each department or group of departments. Another method of electing a committee of manageable size would be that from the stewards in each department (or, in certain cases, groups of departments) one should be appointed by a general election held in the department or by the departmental stewards themselves. In certain cases, in large works, it may be desirable that the stewards in each department should form Shop Committees, with which the general committee could keep in touch and from which its members could learn the needs and the complaints of each department. Another variant is that sub-committees instead of being departmental should be functional, *i.e.*, should each deal with a particular matter or set of matters such as dilution, piece-work, suggestions of improvements, etc.

The existing Works Committees have generally two officers, a chairman and a secretary. The tenure of office of the committee is often unfixed. Where it is fixed, it may be for six months or for a year. A fixed tenure, provided that it is not too short, seems desirable; a new election will reinvigorate the committee and if the workmen in general have any feeling which the committee has failed to express, it will give a chance for its expression.

The desirability of election by secret ballot has been emphasised by many employers and by some Trade Unionists.

IV.—PROCEDURE

Some Works Committees have regular meetings with the management, at intervals of a week, a fortnight or a month. A list of agenda is circulated and regular minutes are kept. In one establishment where this is done the men's chairman presides at one fortnightly meeting and a representative of the management at the next. In other cases the meetings are not regular, but are held whenever occasion arises. Arguments may be used both for and against a system of regular meetings. It may be urged in their favour that they provide a known and regular time for raising a question; that they enable questions to be raised in their initial stages, whereas, if meetings are not held until occasion arises, a question may have grown acute before a meeting is held; and, finally, that by bringing representatives of the management and the men into constant contact, they accustom either side to seeing and understanding the point of view of the other. It may be urged, on the other hand, that if meetings are regular, and at frequent intervals, there may often be no business to be done, and that the effect may be either to make the committee slack, or to induce the more restless members to manufacture business by finding grievances and discovering difficulties. In any case it may be suggested that the main thing is not so much regularity of meetings, as what may be called *the principle of the open door*. If the men know that their representatives have access to the management, and if they know that the management, on its side, is ready to consult their representatives, the success of the main function of the committee is secured. The number of times at which a general Works Committee needs to meet the management will vary with the type of works and with the degree to which sectional questions can be handled by such a committee. One committee, in an establishment in which relations have always been good, has met the management on an average three times a year in the last twenty-four years, though

in the last three years, owing to the number of questions raised by the war, the average number of meetings in each year has been seven. During the whole existence of the committee, however, the right of the separate trade delegates to meet the management has been freely used. Employers complain that workpeople tend to want all questions settled offhand, and fail to realise that investigation may be necessary; and one argument in favour of regular meetings is that they form a permanent and businesslike substitute for frequent sectional deputations. There would appear to be many questions which can be settled in a more satisfactory way if they are discussed and investigated at regular joint meetings. This method, however, cannot be applied indiscriminately; there will always be matters of urgency which must be taken up as they rise; and sectional questions may, in certain cases, be better treated apart from the regular meetings of a general Works Committee.

One other caution may be suggested in this connection. Works Committees instituted in engineering establishments during the course of the war have naturally found abundant work. The same will probably be true of the period of reconstruction after the end of the war. It is possible, however, that under normal conditions a system of weekly or fortnightly meetings might prove unnecessary. It may be suggested, therefore, that a distinction may be drawn, on the point of frequency of meetings, between what may be called "the emergency period" and the period of normal conditions.

Another question of procedure, which also bears on the matter of frequency of meetings, is connected with the position of the secretary of a Works Committee. In many establishments which have Works Committees a large part of the active work which they entail is done by the secretary. Difficulties are reported to him by the workmen concerned either directly or through a member of the committee, and he, after consultation with the committee (or, it may be, in lesser matters, immediately), brings the difficulties before the management. Such

difficulties may often be settled at once, and their settlement simply reported to the Works Committee. A great deal of work may thus be thrown upon the secretary in consulting the workmen concerned and interviewing the management, and the position is thus one which offers a great deal of scope to a man of capacity. Such a man may largely carry on his shoulders the current work, and the committee may only need to deal with larger questions. But the position has its difficulties, and there are two matters which deserve particular notice. One of these is the question of the secretary or chairman's moving about the works during working hours, and entering departments other than his own, for the purpose of interviewing any workman who has preferred a complaint. If the secretary is bound to ask the consent of a foreman or overseer before he enters a department, and if that consent may be refused, the work which the secretary can do in investigating and removing grievances is liable to be hindered. If, on the other hand, he can enter any department (without any formality, or on simple notification of his wish) and engage in discussion with a workman, the work of the department may be held to be likely to suffer. From the experience of several works, however, it would appear that this freedom of movement is found to be an essential condition of the success of a committee. The extent of freedom necessary, and the members of the committee to whom it should be allowed, will vary with the size and the other circumstances of a works.

The other matter which arises in connection with the position of the secretary is concerned with his remuneration. His secretarial duties may interfere with his own work. He is bound to lose time, and, consequently, unless some arrangement is made to indemnify him, he is bound to lose wages. In one case, in which, it is true, the work is specially complicated and onerous, the amount of time spent on secretarial work is said to amount to a total of 30 hours in the week; in another case the loss of wages involved has, over a period of several

weeks, amounted to £2 a week. In one large works, where the committee is engaged to a great extent with questions arising from charitable work, the secretary now gives his whole time to the duties of his position, and is paid by the firm. In some cases it would appear that the secretary is paid ordinary time-wages for the time he spends on secretarial business in working hours; in other cases, where the work is premium bonus or piece-work, he may receive the average earnings, or, again, his companions may keep his machine running in his absence. It seems, however, that some arrangement is necessary to meet what is often a real difficulty. It may be argued that the management should pay the secretary the full wages which he would otherwise have made, since the work he does conduces to the better running of the establishment. On the other hand, the men might object to such a course, on the ground that it tended to make the secretary more dependent on the management and less of a fellow-workman. Another method, which is employed in some cases, is that the secretary should be reimbursed for lost time by the workmen. In certain cases it may be noted that weekly contributions are paid by the workpeople to meet the expenses of meetings, etc.

Another question, which is somewhat analogous, concerns the time of the meetings of the Works Committee. Under one plan the meetings may be held in the employer's time, and the members may be paid full rates during the time they spend in attendance. This is a plan which is often adopted when there are regular meetings with the management. Many committees which have no regular meetings with the management meet after working hours. Another plan, which has been suggested, is that the meetings should be held partly in the employer's time (the members being paid full rates during that time) and partly in the time of the men, or, in other words, after working hours. This may present some difficulties, as some of the members may find it inconvenient to stay after working hours. On the other hand, it is argued that this course

best corresponds to the logic of the situation; management and men both gain from the work of a committee, and it seems logical that either side should surrender a part of its time. The solution of the problem depends to some extent on the length of the working day. Members of committees have complained that to meet at 8 or 8.30 p.m., after 3 hours of overtime, was "a bit hard." Under normal hours the attitude would have been different.

In the matter of procedure in the stricter sense of the term there is at present a good deal of variety. Generally the procedure is somewhat informal, and this, in the earlier stages of a Works Committee, is perhaps to the good. The normal procedure, so far as one can speak of a normal procedure, is somewhat as follows:—

- (1) A workman who has a grievance will report it, directly or through the committeeman in his department, to the secretary. Lesser grievances, which do not affect a number of men or raise a general question, may be settled at once by the secretary with the foreman or departmental manager concerned.
- (2) Grievances which are not thus settled are taken up by the committee, and brought by the committee before the management.
- (3) If grievances or disputes are not settled with the management, they are carried to the branch or the district organisation of the Trade Union or Trade Unions concerned, and they go henceforth along the ordinary channels of Trade Union organisation.

The effect of this procedure can best be seen by comparing it with the procedure which is followed in the absence of a Works Committee or of recognised shop stewards for the separate trades. Where there is no Works Committee, the individual workmen, or a delegation of workmen, will bring

their case to the management, if they can get admission; and failing any agreement, the matter will go straight to the Trade Union. Where there is a Works Committee the difference is this: first that there is a certainty of admission to the management; secondly, that instead of the onus of stating their case being thrown on the individuals concerned, there is a regular machinery (the officers and the committee) to sift the case and to state it formally; thirdly, that instead of the action taken being individual or sectional, it is the general action of a body representative of all the works; and, finally, that there are two chances of a settlement being attained in the works (first between the secretary and the foreman or departmental manager, and, failing that, between the committee and the management)* before the question goes outside for settlement. The main difference between this procedure and that adopted when trade shop stewards are recognised is much less, and only arises on the third of the points just mentioned. This difference, however, is important, because it involves the problem of the delimitation of a Works Committee's functions. It may also be noted that, in certain cases at least, the machinery of the Works Committee is brought into operation not as a preliminary to the question going before a Trade Union branch, but in support of a decision previously come to by a branch. This is so in certain iron and steel works. The difference, it may be said, is more apparent than real, because many of the branches (and these the strongest in numbers) are in such cases works branches—that is to say, the membership of the branch is confined to men employed in the works. On the other hand, certain branches extend their membership beyond the works; and, in so far as the Works Committee takes up a case already entertained by such a branch as union business, there is another form of procedure. This procedure appears to have been adopted in certain cases with the acquiescence of the Trade Union branch concerned. It seems important that the place of the Works Committee in relation to trade questions should be properly defined; otherwise there may be dangers of overlap-

ping and confusion through (a) the diversion of a purely trade question to the Works Committee, when it ought to go through the ordinary Trade Union channels, or (b) the use by a Trade Union branch of the Works Committee in support of a case which it should properly call upon the officials of its Union to handle.

Three other matters of procedure call for notice. One of these is the use of what may be called "the referendum." A Works Committee, when its members feel that a matter is important, and that it is necessary that they should ascertain and carry with them the opinion of the workers either in a department or in all the works, may summon a general meeting and bring the matter forward for discussion in that meeting. There may be no rules to decide when this should be done, and it may be done at different stages, either before a matter has been discussed with the management or subsequently to such discussion; but the possibility of such a general meeting enables the committee to make sure that its policy will be adopted by the workmen concerned, and it puts it in a position to assure the management that a policy thus confirmed can really be carried into effect. In certain industries the regular shop meeting is a feature of shop organisation. This is so, for example, in furnishing and in the woodworking side of the aircraft industry in London. The shop meeting is really a factory meeting, and is held once a month.

Another matter of procedure is one which touches the management and directors of a firm. It is important that the representatives of the firm, who meet the committee, or (if it is a joint body) sit on the committee, should belong to the highest rank, and should include the general works manager (or, if there is one, the labour superintendent) and one or more of the directors. A great part of the value of the Works Committee, from the point of view of the men, is that it brings them into contact, and gives them an opportunity of discussion, with the authorities with whom, in its absence, they seldom get into

close touch, and then only on points of difference. Nor is it only the workmen who stand to gain if the highest rank of management is represented. Members of the firm who are primarily occupied with finance or technique will be brought into contact with those questions of labour which are the fundamental problems of industry, and in discussing these questions with the representatives of the workmen they are likely to gain a deeper insight into the best methods of conducting the industry.

Lastly, there are questions connected with the keeping of minutes, the drawing up of agenda, the presentation of complaints, and the like. Where regular joint meetings are held it is common for a complete record of each meeting to be made in shorthand by a member of the staff and for the workpeople's secretary to make notes of the proceedings; minutes based on the complete record may be circulated among the members of the committee after the meeting. Even where the committee of workpeople as a whole does not meet the management, it may supply the latter with copies of the minutes which concern the management. It is common for the management to supply typing facilities for the duplication of minutes and of agenda. In some works complaints made to the committee must be in writing. This rule has sometimes been introduced in order to check the making of frivolous complaints or inaccurate statements; it may be compared with a method of the "chapel," where a member may call a special meeting by placing a shilling (or other sum) "on the stone" on pain of forfeiting his shilling if the chapel decides that his complaint is groundless.

V.—FUNCTIONS.

Since Works Committees are of different types, it is obvious that their functions vary considerably. In the first place there is the distinction already mentioned under the head of nomenclature. A Welfare Committee is concerned with all questions that affect the comfort and physical well being of the workman while he is engaged on his occupation; an Industrial Committee is concerned with industrial conditions in general. Often a Works Committee will undertake both sets of functions, but some committees may be confined, primarily at any rate, to the working of a system of bonus on output or premium bonus or piece-rates; others may be confined to questions of dilution; others may have a general and undefined scope which depends on an unwritten understanding between management and men.

There are several questions of a general character which deserve some attention, before we turn to the detailed functions actually discharged by various Works Committees. Are these functions always consultative, or are they sometimes executive? This raises another question—is it possible, in the strict sense of the word, to speak of a Joint Works Committee? What, again, are the functions of the management, and how far may a Works Committee trench on these functions? Finally, what is meant by "recognition," and what is the effect of recognition on the functions and powers of a Works Committee?

As far as the first question is concerned, it would appear that the functions of a Works Committee are practically always consultative. Usually a Works Committee can bring matters before the management and discuss them with the management; it can press its views about these matters on the management; in the last resort, it can induce the Trade Union organisation to call a strike. But the Works Committee cannot usually, as such, carry its views into action, or ensure that they shall be carried into action, by any direct machinery.

management has the executive power, and unless the management is impressed by the representatives of the members of the committee, or by the sanction which lies behind them, those representations will not lead to executive action. This would appear to be usual even where the Works Committee is a Joint Committee. There are, indeed, certain cases in which the decision of a *majority* of the members of such a Joint Committee is carried into effect. This is so in the Pit-head and certain other committees which have the power to fine bad timekeepers; and in certain engineering establishments the question of prosecuting bad timekeepers before the Munitions Tribunal is decided by Joint Works Committees. But, so far as can be discovered, the general custom is to the contrary. *Unanimity* must be attained; the management must be convinced, and both sides must freely agree together, before executive action is taken. The operation of a Joint Committee is really in the nature of consultation between two parties—consultation which, if it results in unanimity, results in action, but not otherwise. It would be a mistake to think in terms of voting, or to think that even if there is voting, its result is a formal decision by a *majority* vote. What happens is rather discussion by which misunderstanding is often removed, and upon which, if *unanimity* is attained between the two sides, action will ensue. It follows, therefore, that generally we cannot speak of Joint Committees, if by Joint Committees we understand joint executive councils acting by the vote of the majority. On the other hand, there are Joint Committees, if by Joint Committees we understand deliberative meetings of both sides, always attended by both sides, though often accompanied by separate meetings of the two sides.*

* The division between executive and advisory powers in a scheme now under consideration for an engineering works may be noted. It is proposed that the former should include (1) those powers conferred by the Trade Unions and in accordance with the constitution or resolutions of the local Allied Engineering Trades and (2) those conferred by the firm. The suggested first list of executive powers contains the following:—determination of hours of work (with minimum of 50 per week); messroom; heating, lighting, sanitary matters, etc.; ambulance; collections, supervision of notice boards, entertainments, etc.; proposed technical lending library and works magazine; and organisation of the Sports Association. The advisory functions include the regulation of piecework; the engagement, discharge, dilution and transfer of labour (excluding disciplinary discharges); training and education of apprentices; suggestion of improvements in methods; timekeeping, etc. It is proposed that seven sub-committees be formed, each sub-committee to deal with one or more of the above-mentioned functions, e.g., a sub-committee for hours of work, engagements and discharges, and timekeeping; a sub-committee for messroom; and a sub-committee, advisory and *negotiatorial*, for piecework. There is this reservation in regard to executive functions that if capital expenditure is involved authority should be obtained from the firm before such expenditure is incurred.

A question of importance, when we are considering the functions of a Works Committee, is the definition of the term "management." It may be urged, on the one side, that the functions of a Works Committee should not be such as to interfere with management; it may be urged, on the other, that if a Works Committee is to be debarred from questions of management it loses reality and becomes a mere form. Much, therefore, depends on the sense in which the term management is used. Is the work of the foremen part of management? Or does the work denote the higher organisation of industry? It would appear that a Works Committee, if it is to be of any value in ventilating and removing grievances, must be in a position to ventilate grievances arising from the conduct of foremen or overlookers. Such grievances touch the worker most closely in his daily work, and if they cannot be discussed the committee loses a sphere of action in which it might be of the greatest service. It is true that if a committee has the right of criticising the action of foremen, difficulties may arise. Foremen may feel that their authority is undermined; they may feel that they are being made responsible not only, as heretofore, to the management (a responsibility they know and understand), but also to the committee; they may feel that, with a dual responsibility, their position becomes exceedingly difficult. These are real problems. In many instances, however, they seem to have been surmounted; and if they prove serious, they may perhaps be met, to some extent, if the general manager arranges to meet the foremen in advance, and to discuss with them criticisms and grievances which have come from the Works Committee.

The last of the general questions raised by a consideration of the functions and position of a Works Committee is that of "recognition." This, again, is a term which seems to be understood in different senses, and which it is difficult to define. A committee may be held, from the point of view of the management, not to be recognised, even when the management is in constant touch with its secretary, and even when it consents to

meet those members of the committee who represent a department which has a grievance. Here the point would appear to be that the management does not, as such, formally meet the *whole* committee. In another case a system almost exactly parallel—a system under which the management interviews four of five members of the committee—is described as one of “recognition.” The term “recognition” thus appears to have no fixed meaning; and it may be concluded that what matters is the fact of consultation between a committee and the management rather than any formal pronouncement about the fact.

In the preceding paragraphs the functions of a Works Committee have been discussed with reference to the management. It is obvious that they must also be discussed with reference to Trade Union organisation. A Works Committee must stand in some sort of relation to the district committees of the Unions to which the workmen in the works belong, and some demarcation of functions, whether explicit or implicit, has to be made. The relations vary, and the demarcation is not always easy to make. Generally the division is said to be that questions of general application—district rates of wages, hours of work, and other district or national conditions of work—are regarded by Works Committees as outside their sphere, and such questions are left to be settled by the employers or associations of employers with the Trade Unions. On the other hand, questions of a particular application relating to a works—for example, a piece-rate for a particular job for which it is impossible to lay down any general piece-rate for the district—are regarded as belonging to the functions of a Works Committee. Such a committee may thus deal (1) with the particular application in the works of a principle general to the district, and (2) with questions which are entirely peculiar to the works. But the general problem of the relations of Works Committees and Trade Union organisation is one that demands separate treatment, and it will accordingly be treated in a subsequent section.

The powers of the management and the powers of the local Trade Union organizations may be said to constitute two points more or less fixed, and the powers of a Works Committee are naturally determined with reference to these two points in ways that vary according as those points vary. Turning to the Works Committee in itself, we may distinguish two main types of function. In the first type a committee is primarily concerned with some one particular thing—a scheme of dilution, a system of bonus, or a method of profit-sharing. This does not prevent such a committee from dealing incidentally with other things. On the contrary, a committee on dilution will be led to discuss the wages of dilutes and other questions; a committee on a bonus system will be led to deal with time-keeping and other matters which affect the bonus. A committee, therefore, which is primarily and formally concerned with a particular thing may actually be something of the nature of a general Works Committee. When once an organization is created, if only for a single activity, it will naturally become a centre for other activities; the management, finding a representative organisation which it can consult, may consult it on broader issues; and *vice versa* the representative organisation, meeting the management to discuss one issue, may readily tend to bring forward other issues. The tendency for this to come about is greater if the committee is one of shop stewards who are charged by their Unions with a general supervision of conditions.

In the second type a committee is from the first general in its range, and is formed to deal with the general industrial conditions of a works. One such committee has for its province (1) to enquire into grievances reported by workmen; (2) to bring before and discuss with the management grievances that it considers genuine; (3) to consider complaints about wages and piece-rates which concern individuals; (4) to consider questions relating to the health and safety of the workmen; (5) to consult with the management on the interpretation of awards, orders and circulars; and (6) to consider generally

the conditions of work in the establishment. This may be considered to be fairly typical. Another committee, primarily concerned with piece-rates, has also dealt with questions of ventilation and sanitation, complaints about the decisions of foremen, arrangement of shifts and of hours of admission to the works, the allocation of piece-work and time-work, and the interpretation of official orders and circulars. Other matters handled by Works Committees include works discipline, especially timekeeping, methods of paying wages, hours of overtime, and the like. The questionnaire which is printed in the first Appendix contains a list of possible functions; and it may be said at once that different Works Committees exemplify all these functions and that some exercise functions which are not included in the list.

Instances may be cited of committees which are tending to exercise, or actually exercise, peculiar and interesting functions. In several cases Works Committees have made suggestions for economies in the running of machinery, and it is agreed on both sides that the committees have brought to light weak spots in organisation. A striking feature is the keenness of certain committees, or of the more active members of these committees, to discuss the after-war situation, and this in relation not only to working conditions, but also to such problems as the proper employment of plant. Another case is equally interesting. This is the case of a works in which a Works Tribunal has been instituted in lieu of the Local Munitions Tribunal. The men elect a jury of twelve and a chairman; and this tribunal has been successful in bringing about a great improvement in discipline and time-keeping.* An incident in this works, though it does not bear directly on the matter of

* This is a very interesting matter, especially in view of the argument in the report of the N.W. Commission on Industrial Unrest, that *joint* committees of employers and employed would administer "industrial law" better than legal tribunals. The existence of a number of Joint Committees which exercise such functions has been mentioned. The particular interest of the above mentioned Works' Tribunal is that it is not a Joint Committee, but is wholly composed of workpeople. The firm has no status in the court, merely appearing by its representative as it would in the Local Munitions Tribunal. Procedure is quite formal, and the firm's representative is expected to address the chairman as "Sir."

Works Committees, is indirectly of value as showing that consultation with the workmen may be of great service to the management. A question arose of the introduction of dilution into the works, and the men in the pattern-making shops objected to its introduction. They were interviewed by the managing director, who asked what alternative suggestion they could make for increasing output. They answered that they believed they could easily increase their output if they had additional equipment. A tool catalogue was put before them: they suggested the purchase of a number of tools costing in all nearly £2,000. The tools were bought, and the output was increased by 50 per cent. without dilution.

The range of functions which a Works Committee can efficiently undertake is necessarily indefinite, and a subject of contention not only between employers and workpeople but also between different groups both of employers and of workpeople. Some of the questions on which there is considerable difference of opinion may be noted; they include questions affecting promotion, dismissal, the suggestion of improved processes, lectures and education in trade technique, and works discipline.

The question of alleged wrongful dismissal is already handled by the Trade Unions, and there is a considerable body of opinion among both workpeople and employers that, at least in the first instance, it is a suitable function for a Works Committee. Dismissal for such a reason as alleged disobedience, it is argued, may be only a cloak for victimisation; reasons may be invented by a foreman in order to get rid of particular men. The claim is made that the other workpeople are likely to understand the psychological influences underlying such action, and that no such dismissal should be made until the circumstances have been discussed with the Works Committee. The situation in which slackness of work compels a considerable reduction in the number of employees is more complicated; on the one hand, workpeople complain that the opportunity is used by certain employers to get rid not only

of the less efficient employees but also of those who have shown themselves active in support of their fellows—that is, to cover up victimisation; on the other hand, employers complain that workpeople are exclusively biased in favour of the claims of seniority, and make little, if any, allowance for differences in efficiency. There would appear to be some truth in both contentions. A frank discussion would probably tend to remove the causes of the workpeople's complaints and, at the same time, to produce a balance between the claims of seniority and of efficiency satisfactory to both employers and employees. What is perhaps even more important is a further argument; such frank discussion would lead to plans for the alleviation in the particular works of the effects of a general slackness. It is not contended that any general remedy for unemployment can be found on these lines; all that is suggested is that local and individual effort may help to solve the problem. Dismissals due to the introduction of new machinery or new methods are perhaps of a kind with which a Works Committee might properly deal. Workpeople are ready to acknowledge the benefits due to improvements and yet naturally resent such improvements where they involve the destruction of their craft or sudden loss of employment. It may be suggested that what individual employers have done in the past—namely, to make arrangements by which the dislocation of livelihood is reduced—can be carried out more generally; and that in individual establishments adjustments for such a purpose are a suitable subject for discussion by a Works Committee. It is, of course, a subject of vital importance to the Trade Unions; it is indeed an aspect of the process of dilution as seen at work in the normal industrial conditions of peace time. Though the Trade Unions could not be expected to hand the matter over to a Works Committee, there appears to be room for the latter to deal with the question within certain limits.

The appointment of foremen is a question on which there may be said to be three groups of opinions. Many employers

hold that it is purely a management question: The opposite extreme to this is the claim made by a considerable section of Trade Unionists that the workmen should choose their own foremen. A position intermediate to these two extremes is taken up by a certain number of employers and by a section of workpeople; the appointment (they feel) should be made by the management, but it should be submitted to the Works Committee before it becomes effective. Even this intermediate position, however, is not really a common position; there are differences of opinion as to the conditions under which the appointment should come before the Works Committee—that is to say, whether or no the Works Committee should have power to veto the appointment. Those employers who are prepared to submit such appointments to a Works Committee are for the most part of the opinion that this should only be done in order to explain the reasons for their choice. This, they hold, will tend to remove obstacles which might otherwise be put in the way of the appointment. A considerable body of workpeople, on the other hand, hold an intermediate position which comes nearer to election of foremen by the workpeople; they think that the Works Committee should have the right to veto the choice made by the management. A few employers consider that this—or even direct election—may be possible when a Works Committee through the experience gained in consultations about such appointments, has learned to estimate all the qualities necessary in a foreman. It has already been mentioned that Works Committees very often discuss the conduct of foremen. The conclusion then reached, that such discussion was a desirable function for a committee, would appear to involve as a corollary that of consultation about appointments. This latter function would tend to remove the necessity for the former.

Among the results expected from the giving of a larger measure of responsibility for industrial conditions to the workpeople is a considerable increase in efficiency. This is said to be possible if the ability of the workpeople to suggest im-

proved processes and methods is properly used. The experience of individual firms would appear to confirm this contention. Many firms have for years past had awards schemes in operation, and in certain cases these have stimulated important suggestions for improvements. The fact that the "suggestion box" is often stated to have proved a failure is not necessarily a condemnation of the idea; it may only mean that the somewhat mechanical and uninspiring device is in itself an inadequate stimulus. A comparison of the results secured in establishments more or less similar (so far as work is concerned) would suggest that the success of an awards scheme depends to a great extent upon the action of the management. Where the management gains the confidence of the workpeople, and has devised methods of considering suggestions which appeal to the workpeople, there is a much more powerful response than in works where, though there may be a suggestion box, these conditions are absent. Many employers and workpeople agree that a Works Committee may not only produce the atmosphere necessary to the stimulation of suggestions, but may also help to arrange for the proper investigation of proposals made by workpeople. In this connection, as in the quite different field of grievances, it would appear to be important that suggestions which look to be worthless should, nevertheless, be considered. To put the matter on the lowest ground, this will probably pay in the long run. The fundamental matter is that everyone should be encouraged to think about the processes and the organisation of the works. It should be noted that workpeople very commonly complain of the staff's attitude on such matters; any suggestion, they say, is apt to be brushed aside with the remark that they are not paid to think but to work. The obstruction in such cases may be a foreman or manager, and even though the higher management may be sympathetic, it may never hear of a suggestion. His mates also are sometimes not very encouraging to a workman with ideas. For lack, therefore, of encouragement, or because of actual discouragement,

ideas of value are held back and the capacity for ideas destroyed. How best to arrange that suggestions will be guaranteed an adequate consideration is not a direct concern of this report, except in so far as a Works Committee may be employed for the purpose. It is doubtful whether a general Works Committee is a suitable body with which to discuss the value of a change in a particular process or machine, and the use of a small sub-committee for this purpose may be suggested. The argument has been used that a man will place his ideas before two or three responsible work-mates for their criticism, but not before a big committee. If the small committee thought the proposal sound, it would then go straight to the higher management. For more general questions of organisation, as distinct from questions of individual methods or machines, the general Works Committee, or in large works a Departmental Committee, would probably be a suitable body. Testimony to the value of suggestions made by both of these has been received from employers. A further suggestion with a direct bearing on this subject has been made; that the education which certain firms provide for sections of their staff, such as foremen and underforemen, might be extended to representative workpeople. This may take the form of educational lectures, which will widen the outlook of the specialised worker by showing him how his own activities fit into those of others and into the general plan of the establishment's activities.

The attitude to a Works Committee's assumption of responsibility for discipline varies very considerably, both among employers and among workpeople. There is a considerable body of experience, and it would appear that, though there are examples to the contrary, Works Committees which undertake disciplinary functions usually do so with success. There is, at the same time, a very general demand among workpeople that, if Joint Committees are to discuss the bad time-keeping and other mistakes of the employees, they should have

similar powers of dealing with faults on the side of the management. In a number of establishments committees regulate fines or deductions made from bonus because of lost-time, negligence, damage or other cause.

A note of caution may be added. There is some evidence that a small minority of employers may endeavour to use a Works Committee in order more easily to impose penal conditions which are objected to by the main body of workpeople. This is opposed to the whole spirit which makes a Works Committee a success, and is bound to produce friction. A somewhat similar attitude is taken up by a small minority of workpeople who appear to desire that no joint meetings should be held in an orderly or businesslike manner.

It may be added in conclusion of this section, that the opinion, and indeed the practice, of a number of firms inclines in the direction of *ad hoc* committees. It is held that this enables the firm to consult the men who are directly concerned, and that it has the additional advantage of giving greater reality to the consultation. When consultation takes place on an immediate and definite issue, it is said to result in practical and useful discussion; and the fear is expressed that consultation, in the absence of such an issue, may only be an empty form. The inclusion in such committees of the shop stewards who represent the classes of men concerned—as is often the case—gives a direct connection with the Trade Union or Unions whose standard may be affected.

VI.—RELATIONS WITH TRADE UNIONS

Something has already been said in the sections dealing with the constitution, procedure and functions of Works Committees, concerning the relations between such committees and Trade Union organisation. The position is in certain respects somewhat paradoxical; the problem as seen by most Trade Unionists is that of strengthening the Trade Union organisation in the workshop, but, on the one hand, many employers prefer not to deal with the shop stewards in the works but with the outside Trade Union organisation, and, on the other hand, some elements in Trade Unionism prefer that it should stand outside the workshop and handle questions in each works from the outside, while some unionist shop stewards consider that their Works Committees should not be subject to any control of the Trade Unions. The general question of the relation and the relative weight and power of Works Committees and district organisations is one which is likely to be settled gradually in experience and actual working. Here it may be convenient to draw attention to some considerations which appear to affect this general question, particularly as seen in the engineering industry.

The first consideration is that the changes in the conditions of working have made necessary the development of new machinery for collective bargaining. Since the questions for which this machinery is required are, to a great extent, peculiar to individual establishments, the collective bargaining, if it is to be done at all, must be carried through in each establishment. At the same time, unless the results are to impair the standard conditions which it is the business of the Unions to uphold, the work must be entrusted to representatives of the Unions. Thus there has come about a natural development in the functions of the shop stewards. Previously they had to see that no encroachments were made on standard conditions; now they may have the more positive duty of participating in the

settlement of piece-work prices in terms of these standard conditions.*

In regard to the changes just mentioned, and in regard also to dilution, the interests of the workpeople belonging to different skilled Unions are more or less the same. This, combined with the natural community in the works, probably accounts for the fact that certain apparent difficulties of representation are, as a rule, easily overcome. The impossibility of so representing different Unions on a Works Committee that satisfaction is secured to all is alleged to be such a difficulty. So far as the skilled trades are concerned—at least in engineering—the difficulty would not appear to be serious. In many cases where even a small minority only of the skilled Unions have *direct* representation there would appear to be no dissatisfaction.

As between the members of skilled and unskilled Unions the position is more difficult. There are several cases of two separate Committees of Shop Stewards—one representing the skilled and the other unskilled and semi-skilled men—in the same works. In other establishments, however, skilled and unskilled men vote for the same committee and act together as members. This would appear to be the most desirable arrangement. The case, however, in which a minority of unskilled men in each department is represented on a Works Committee by a skilled unionist is not exactly on a par with that in which a minority belonging to an unskilled Union is so represented. Apart from the fact that unskilled men are more likely to be distributed through all the departments, so that though in a minority they form a considerable proportion of the total number of employees, there is the further consideration that the similarity of interest and the community of feeling are not so pronounced. In many establishments the diffi-

* The appointment by the men of a separate rate fixer, whose business it would be to arrange piece prices with the firm's rate fixer, is a suggested development towards which a movement is being made in one or two firms. In one large establishment, such a duplication is suggested by one of the firm's rate fixers as a very desirable arrangement.

culty has apparently been surmounted: but in a number of others it is still a serious problem. The problem would appear to be one which cannot be settled by the men in each establishment—though they may provide valuable suggestions—and it must probably be left for the Trade Unions concerned to come to some agreement on the matter. For this reason a certain number of workpeople, both skilled and unskilled, consider that in cases where the difficulty is acute the policy of two committees is the best present working arrangement. The defects of such a system are perhaps too obvious to require particular mention. It may, however, be noted that the system obstructs very considerably that joint consideration of common interests and desires, to find expression for which is one of the main purposes of a Works Committee. It tends instead to concentrate the attention of each committee upon points of divergence of interest.

The coming together into one committee of shop stewards responsible to different Trade Unions raises a number of questions. It is true that the rules by which Unions define the functions of their shop stewards are fairly uniform, and so long as a Works Committee respects the rules of the different Unions there is little fear of overlapping or confusing in functions. The general rule which determines the functions of a Works Committee in relation to Trade Union organisation has already been mentioned. As is said in the case of one Committee, "The Committee regard questions of general application, relating to rates of wages, hours of work or otherwise, which affect 'district conditions,' as beyond their jurisdiction. There is no formal rule to this effect; but this limitation of the Committee's power is well understood, and no difficulties have arisen."

It is thus the rule that general questions of district or national conditions are left to the Trade Unions, while the Works Committee deals with either the detailed application of these general rules within the works or with questions en-

tirely peculiar to the works. On the whole, the information which is available would suggest that the division of jurisdiction is well understood and closely followed. There are, however, certain difficulties.

In the first place there is evidence of uncertainty as to whether or not a Works Committee should undertake certain functions: matters may sometimes seem from one point of view to be "branch" or "district" business, and from another to be "works" business. A tool-room bonus, for instance, may be arranged in a works between a committee and the works manager, and they may agree in regarding it as a works affair, while the local branch (or district committee) of the Union concerned may consider that it is a question of wages which demands their sanction. In view of the variety and complexity of bonus schemes which have been instituted in munitions factories, and of the possible reactions of these upon standard rates, there would appear to be some need for careful definition of a Works Committee's functions in this field.

There is some evidence also of actual conflict of authority. Such cases, however, would appear to have been given an altogether disproportionate prominence in public discussion, to the detriment of those whose main desire is to create a constitutional machinery suited to new and rapidly changing conditions. In a few instances, however, a Works Committee would appear to have been in doubt as to whether it was an independent organisation or one subject to Trade Union control. Thus, a Works Committee wholly composed of Trade Union stewards has made a demand for an advance in wages to which, under an alternative agreement made by the Trade Unions, the workmen represented by it had no claim. In one or two cases representations have been made to Government Departments for advances in wages and improvements in other working conditions in individual works, independently of district or national machinery, though the works in question were known to recognise district standards.

It would appear that the uncertainty as to the real position and powers of a Works Committee in relation to the Trade Unions is, at least in the engineering industry, to some extent due to the fact that the various members of a committee may be responsible to many different Unions. Though, therefore, the Works Committee may aspire to be a unit of government, this is rendered difficult in view of the different and possibly conflicting authorities from which the members obtain their status. One suggested scheme proposes to overcome this particular difficulty so far at least as the Unions of skilled men are concerned. It would bring the committees in the various establishments under the district Engineering Trades Joint Committee, and confine membership of any committee to those organised in the Trade Unions affiliated to the district committee. This question of the relationship of works to district committees is interesting also in view of the proposals contained in the Whitley Report. That Report advocates Joint National and District Councils and Works Committees; and the problem of the relations of the District Council and the Works Committee and their relative functions is one which will need to be investigated when measures are being adopted to institute such Councils.

The need for this consideration of relationships between Works Committees and the district Trade Union organisation would appear to be more necessary in certain industries than in others. It would appear, for instance, that in the iron and steel industry the fact that members in one works commonly form a branch of their Union, and that the secretaries of branches are usually—it may be in virtue of the office they hold—members of the Works Committee, makes the problem of inter-relations less difficult, at least for those Unions which are organized on the basis of works.

A point of procedure may be noticed. It is sometimes the case that a Trade Union official accompanies the representatives of the Works Committee in an interview with the man-

agement; or, again, a Trade Union official may attend the deliberations of a Joint Committee if the men so desire.* But this apparently is exceptional; and, as a rule, a Works Committee acts by itself, and refers to Trade Union officials questions which are too large or too difficult to be settled in the works. It should, however, be noted that many trade unionists are of the opinion that the right of the Trade Union officials to attend committee meetings (or to inspect the minutes of a committee) is a necessary condition of the satisfactory solution of the question of inter-relations.

Two other questions which are involved in this problem of the inter-relations of Works Committees and Trade Unions call for notice.

The first relates to the victimisation of men who show themselves active as shop stewards or as members of a Works Committee. It is impossible to estimate to what extent such victimisation actually occurs, and this is partly due to the difficulty of defining what victimisation is. Workmen complain not only of victimisation, but also of the difficulty of bringing the charge home even when (they state) they have no doubt about the facts. For this reason many of them hold the view that, unless the Works Committee is properly related to and protected by Trade Unions, it cannot hope—in certain establishments at least—to discuss questions before the management with that sense of freedom which is essential to the success of joint deliberations. In this connection it may be noted that one of two reasons given for the short terms of office of the shop stewards and secretaries of committees in one industry (one and three months respectively) was the fear of victimisation. The other reason—in this the Works Committee appears to revert to the early forms of conducting the business of Trade Union branches—was stated to be the desire that everyone should take his share of office.

* It may also be noted that officials of the various Unions were members of the workmen's side of the Joint Committee formed in connection with a profit-sharing scheme instituted before the war by a well-known shipbuilding firm in a northern town.

The other question relates to the allegations made by certain Trade Unionists that certain employers—more particularly in one or two industries—are fostering the growth of Works Committees in order to destroy Trade Union influence in their works. The danger, it is said, from the point of view of Trade Unionism is exactly the same as that which is believed to result from profit-sharing, *viz.*, that the workman is detached from his fellows and his power to obtain certain standard conditions is consequently weakened. The further charge has been made, in regard to one or two industries, that the employers were proposing, in the name of the Whitley Report, to form Works Committees without connection with the Unions, and from these committees to build up District and National Councils representative of employers and employed. It must, however, be emphasised that any such action is directly opposed to the proposals of the Whitley Report. These proposals look to the control of Works Committees by National or District Councils which, on the workpeople's side, would be representative of Trade Unions only; and, in order that Works Committees should be formed on lines satisfactory to the national organisations, the Report proposes that the formation of Works Committees should, as far as possible, follow, and not precede, that of the National and District Councils. A logical application of this order of procedure may be impossible, but wherever individual employers find it desirable to form Works Committees before National or District Councils are instituted, the idea of the Whitley Report may be so far followed that such proposals should be brought before the Trade Unions concerned, and they should be asked to share in the formation of the Works Committee.

VII.—GENERAL CONSIDERATIONS

The applicability of Works Committees to different industries is a matter of importance. During the war the discussion of them has been associated most generally with the engineering industry, and it is probably in that industry that, for reasons already stated, their development during the war has been most rapid. This development, however, has by no means been confined to engineering; and in certain other industries, for example, iron and steel works, there has been a marked increase. If we consider pre-war experiences, and include not only general committees formed for special purposes, but also sectional committees, it would appear that an industry in which committees had not been in existence at some time or other would prove the exception rather than the rule. In this connection one may note that in establishments in the distributive trades several committees have been formed to help in the running of profit-sharing schemes. It may also be noted that during the war one very large establishment has seen the development not only of separate Committees of Shop Stewards, representing the skilled and unskilled sections of engineering respectively, but of at least two other committees constituted on more or less similar lines. One of these is composed of shop stewards from the building trades, and the other of delegates from the clerks engaged in the various departments. The works in question is exceptional, not only in size but in certain other respects, so that it cannot very well be taken as an example. The specific representation of the building trades may, however, be put alongside the previously mentioned examples of informal committees constituted on big works of building construction. It may also be argued that if a committee is desirable in a distributive trading establishment for the administration of a bonus scheme, the same form of organisation may be useful for other general purposes. It may further be argued—and it is so argued by some—that a Works

Committee is desirable in any establishment in which more than a certain number of people are employed. Whether the organisation is either necessary or desirable in every or nearly every kind of establishment is a question which the future must solve. Here it may be noted that at present considerations almost diametrically opposite to one another appear to determine the general absence of committees from different groups of industries; in some this would appear to be due to the absence or the weakness of Trade Union organisation, while in others the strength of Trade Union organisation makes Works Committees unnecessary for the purposes which call them into existence in a number of industries.

The cotton industry is a case in point. Here the contiguity of the mills, and the fact that conditions are so uniform that district price-lists are practicable, ensure that the strong district organisation (with its permanent secretary on both sides and its district committee on both sides) is adequate to those needs which in engineering, for instance, have produced the demand for a works organisation. The same problem of wages has necessitated in other industries, *e.g.*, certain of those coming under the Trade Boards Acts, direct State-enforcement of piece-rates. Though for this purpose a Works Committee may be unnecessary or undesirable in both groups of industries, it may be that other purposes will produce a similar form of organisation. It would appear that most of the needs to which reference has been made in this report are not quite peculiar to any one type of industrial establishment, but more or less common to all. Questions of foremanship may be given as one instance. Welfare is another; very many matters can be brought under its scope, and it seems likely that in future Works Committees will come to play a greater part in their administration.

It may be suggested that the size of the works concerned is a factor of importance in any discussion of the range of application of a system of Works Committees. It is sometimes

urged that Works Committees are only valuable in large works, in which the workmen number 3,000 or upwards. It is certainly true that the larger the works, the greater the help which a Works Committee can give in putting the higher ranks of the management in touch with the feelings and needs of the men. In a small works the manager will probably be able to familiarise himself with every detail of the work, and he will be brought into contact with nearly every workman. He may feel that he is already in close touch with the men, and that a Works Committee cannot make the touch closer. Even here, however, a Works Committee is likely to help. It will enable the management to discuss matters not with isolated individuals, but with the accredited representatives of the whole body of the men, and it may help to bring to light difficulties, needs, feelings and defects which might otherwise have remained concealed. A Works Committee may thus serve not to supplant, but to supplement, the advantages of personal touch, even in small establishments; while in large establishments, where personal contact is not so easy, the help which it may give is obvious. In any case it should be remarked that committees are to be found in works of very different sizes. One committee is concerned with workers in a single establishment to the number of 10,000 men; many are to be found in works in which the workmen number about 3,000; a number exist in works employing about 100 workmen.

To this may be added the expression of opinion of the owner and manager of a small printing office where the compositors' chapel (there is only the one chapel in the office) has at present only ten members. He is in direct contact with each of the men; but he has found it advantageous in the past to have the father of the chapel and one or two of the other compositors together "for a talk over tea." This, it may be said, is done in many small businesses. It may, however, be worth while to consider the advisability of putting such discussion on a regular footing even in small businesses. In the

instance mentioned the employer proposes to make a trial of regular discussions. Probably the only generalisation one can safely make about the need for Works Committees in relation to the size of establishments is that the need increases with the size.

There remain two points of importance. One is the question of the practical success of Works Committees; the other the importance from that point of view of the human factor.

As regards the first question, evidence is forthcoming from all parts of the country—the Clyde, the Tyne, the Midlands, the Bristol, Manchester, Yorkshire, and London districts. As regards the second, this much is clear: success depends to a great extent on the existence of a spirit of counsel and understanding on both sides. If “the management door stands open” to all legitimate grievances, and if the men are ready to present their grievances and to take into consideration the difficulties of the management, the fundamental conditions are present. Much will always depend on the personalities concerned. Every human institution requires for its success the guidance of personalities. A Works Committee requires for its chairman or secretary—or, at any rate, one may say, ideally requires for its chairman or secretary—a man of personality, trusted by his fellow-workmen, respected by the management, with the spirit of service, and ready, in that spirit, to give his services freely in the cause of his committee. It requires no less a sympathetic and capable management, ready to listen, ready to weigh carefully, ready to take pains in discussion, and prepared to persuade and to be persuaded. It is one of the most encouraging signs of the times that on both sides such men have been found, and that, both among the management and the men, personalities have emerged to meet the needs of the institution.

Works Committees mean discussion; discussion takes time; and from this point of view it is sometimes argued that a Works Committee may tend to slow down the pace of industry; and, again, that it may be difficult to convince a committee

of the value and the feasibility of a new idea or process, so that the way of innovation may be somewhat impeded. These, however, are theoretical objections. In practice Works Committees—the evidence would suggest—have improved time-keeping and increased output, and in that way they have accelerated rather than impeded the pace of industry. In practice, again, they have been the opposite of conservative, and instead of checking change they have themselves suggested change. And even if they made the pace slower, or change more difficult, they have advantages that would compensate, and more than compensate, for these defects. They make for better relations and greater harmony, and these are the things that matter most to industry. More time is gained by the absence of disputes than is lost by the presence of discussion; more improvements can be introduced in an atmosphere of harmony than can possibly be introduced in an atmosphere of suspicion.

That Works Committees have, in the great majority of cases, tended to introduce greater harmony, and, through it, greater efficiency, is proved by the evidence of those concerned in their working. It is not denied that in some cases (though these are very few) Works Committees have failed. A few cases of such failure have been noted in committees instituted during the war for general purposes. In one of these the failure was perhaps due mainly to defects of machinery, and it is stated that the Works Committee may be resuscitated; in another the failure was due to deep-seated causes, which made success impossible, and the failure reflects no discredit on the institution. In almost every case, however, the testimony is to the opposite effect. Sometimes introduced with difficulty and amid suspicion, committees have established themselves and done service which is acknowledged even by their original opponents. By providing a channel for the ventilation of grievances at an early stage, and before they become acute, they have prevented disputes and strikes, and they have improved time-

keeping and increased output. Nor is this all. The functions of Works Committees are not merely concerned with bringing grievances before the management, but also with a preliminary enquiry into grievances, in order to decide whether they are well-grounded and serious enough to be brought before the management. The work which they do in this preliminary stage is not the least valuable part of their work, and, far from hampering the management, it obviously does the reverse and relieves the management of difficulties and grievances it would otherwise have to face. Grievances are either nipped in the bud by being shown, upon discussion in committee, to be unfounded, or they are settled in discussion between the secretary of the committee and the foreman or head of the department, and in either case they never come to the main management. When grievances cannot be settled in this way—since, for example, they may involve the head of a department directly—there remains the possibility of access to the main management. The necessity for this has been emphasised by both representative employers and representative workmen; and upon it, so far as can be judged, depends not only the removal of grievances, but (what is still more important) that really suggestive and constructive work which the signatories to the Whitley Report had in mind in recommending that workpeople should be given a larger voice in determining industrial conditions.

In more than one works the summary of opinion on a Works Committee—and that not on one side only, but on both—has been expressed in the phrase, "This is the best thing that has ever happened in the shop." Such a summary could not be given if experience had not proved that a Works Committee was more than a piece of machinery and something different from the old methods of industrial conciliation. It means that a Works Committee is felt to be something that enlists the workers in real participation, and something that offers fresh promise for the future.

(The remainder of this Report gave detailed accounts of committees in various types of industry.)

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